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Chairman Hua Kuo-feng at his Peking news conference. At right is Foreign Minister Huang Hua.

OPEC Ends 2-Year Freeze, Raises Oil Price by 14.5%

ABU DHABI. United Arab Emirates, Dec. 17 (AP) — The Organization of Petroleum Exporting Countries decided today to raise the cost of a standard barrel of oil by 14.5 percent by October, 1979. ending a freeze on hasic petroleum prices that OPEC had maintained

The rise will take place in four stages over next year, with the aver-

OPEC communique warned that, if inflation and currency instability continue, cutting into oil states' revenues for their output, the cartel will find it imperative to adjust fully for the effects of such inflation and dollar depreciation" in the

On Role in Peace Talks

Israelis Angrily Protest U.S. Official's Statement

Israeli Foreign Ministry has ex- tle between Cairo and Israel was a pressed "serious protest and anger" last-ditch effort to bring the two over a statement it attributed to a sides together so that the date senior U.S. official.

It did not name the official but said yesterday that he bad claimed Israel "misled the world" about its change of ambassadors conditional position in the stalled Israeli-Egyp-tian peace talks.

on setting up a Palestinian govert-ing council or provide for an auto-

was in Jerusalem Thursday to try to persuade the Israelis to accept five years. Egyptian proposals. The Israeli Despite the setbacks, officials in Cabinet rejected them Friday and Israel and Egypt said they believe a

Israel "misled the world with its contention that it was prepared to sign a peace treaty." It did not say where or to whom the statement was made.

The communique said the state-ment was unjustified because Israel bad "decided to forgo its reservations about a draft peace treaty and expressed its willingness to sign without additions or amendment, Since then and until today, Israel repeatedly announced its readiness to do this.

Israeli Prime Minister Menachem Begin said Friday that the United States had taken a onesided position favoring Egypt in the deadlocked talks. He said Egyptian President Anwar Sadat had made new demands - brought to Israel by Mr. Vance - tbat contradicted the agreements reached at the Camp David summit. Mr. Vance called Mr. Begin's statement

disappointing. At Camp David, Mr. Begin and Mr. Sadat agreed to sign a peace

More than 6 million Belgians voted

today for a new parliament which will have to decide to what degree

Belgium will remain united as a

Voters went to the polls in cold

but clear weather today. Voting is

compulsory in Belgium. Only the sick and disabled are exempted.

Tindemans has called it the most important election since Belgium

was founded in 1830.

Former Prime Minister Leo

The 6.4 million voters chose 212

members of the Chamber of Repre-

sentatives, 106 senators and new

councils for the country's nine

provinces. Under Belgium's polling

system, the provincial councils will

then will appoint 25 more for a to-

The new parliament will have to revise the consitution and work out a federal status that would include

two or three semi-autonomous

The future of the monarchy is not in doubt and Belgium's foreign policy is expected to remain

elect 50 other senators and the 156

TEL AVIV. Dec. 17 (AP) - The treaty by today. Mr. Vance's shut-

could be met. Israel said it could not accept Egypt's demand to make the exing council or provide for an auto-Secretary of State Cyrus Vance matic review of security arrang ments in the Sinai Peninsula after

Mr. Vance returned to Washington cmpty-banded.

A Foreign Ministry communique quoted the U.S. official as saying "It's a negotiation."

In Cairo, Egypt's acting foreign minister, Butros Ghali, told parlia-ment that Egypt is prepared to re-sume "constructive negotiations"

with Israel. Meanwhile, Israeli Cabinet ministers said vesterday that the U.S. decision to establish diplomatic relations with China may adversely affect Mideast negotiations, the state television reported. The televi-sion quoted ministers as saying that Israel must reassess the U.S. ability to fulfill its treaty obligations.

21 Wounded in Bombing

JERUSALEM, Dec. 17 (UP) --A bomb apparently planted by Arab terrorists on the original deadline for signing a peace treaty with Egypt exploded here today wounding 21 persons. In Beirut Palestinian commandos said they had wounded a large number of 1sraelis in Jerusalem today with time

Parliament Will Decide Unity Issue

Belgian Vote Frames New Constitution

BRUSSELS, Dec. 17 (UPI) — unchanged. All the major parties will go and what status will be givered to Belgium's alleast oday for a new parliament which giance to the Common Market and gual but French-dominated capital.

for the Dutch and French-speaking

areas — Flanders in the north and

Wallonia in the south. The main

question is how far this devolution

By Philippine Rebels

undetermined number of Commu-nist rebels killed three persons and wounded two. including a police-

man, in an ambush yesterday on the central Philippine island of

Luzon, a newspaper reported

today. The Bulletin Today said a team

of government-organized volunteer forces was on foot patrol at a ham-let 180 miles northeast of Manila

when it were attacked by guerrillas of the New People's Army, the mil-itary arm of the banned Commu-

nist Party of the Philippines, a

MANILA, Dec. 17 (UPI) - An

3 Killed in Ambush

But all parties support autonomy territory.

age increase for the year-long peri-od working out to 10 percent. An justments might be made. The price decision, announced by OPEC Secretary-General Ali Jaidah after a two-day oil ministers' meeting here, was presented by OPEC as a sign of moderation and goodwill toward

But Sheikh Ahmed Zaki Yamani, the oil minister of Saudi Arabia There was no official indication and a leading campaigner for moderate prices, said, "I am not so happy with it." But be said developments in world oil markets and recent reductions in Iranian oil output "make it very difficult to argue for a small dose," He called for a pricing freeze in 1980.

Under the new OPEC decision, the price of a 42-gallon barrel of Saudi Arabian light crude oil — the OPEC pricing standard — will rise from its price-freeze level of \$12.70 to \$13.33 on Jan. 1, \$13.84 on April 1. \$14.16 on July 1 and \$14.54 on

Arab economists at the meeting (Continued on Page 2, Col. 6)

No Seizure Of Taiwan By Linda Mathews

China Signals

HONG KONG, Dec. 17 -- Chinese Communist Party Chairman Hua Kuo-feng signaled vesterday that his government bas no intention of invading Taiwan after the last U.S. troops are withdrawn from the Nationalist-held island

next spring.
According to informed Communist sources here, an official document now circulating throughout China's vast Communist Party apparatus declares that it may take several generations before the two rival Chinese regimes can be reunit-ed and, in the meantime, Taiwan will be permitted to retain its own economic and political systems.

The document, first distributed a week ago by the Central Commit-tee, the policy-making body of the party, is being read over loudspeakers at thousands of factories, offices and communes, and has been hailed as the most sensible solution to the Taiwan problem, the sources said. The U.S. Consulate here bas begun to detect references to the document in radio broadcasts from China's provinces, indicating that word of China's peaceful intentions toward Taiwan is reaching grassroots Chinese.

Mr. Hua has also intimated to the rest of the world that China has no military designs on Taiwan. in a televised press conference yester-day, apparently the first ever held by a Chinese official of his rank. Mr. Hua called on "our Taiwan compatriots" to join mainland Chinese "in making further contribu-

(Continued on Page 2, Col. 5)

To Mourn Demonstrators' Deaths

General Strike Scheduled **Today by Iran Opposition**

TEHRAN, Dec. 17 (Reuters) industry, faces the prospect of a na-tionwide general strike tomorrow salled by opponents of Shah Mohammed Reza Pahlavi.

Opposition sources expected the one-day strike — to mark a day of mourning for nearly 100 people killed in recent political demonstrations - to receive widespread sup-

Most shops in Tehran's bazaar were closed today and civil servants in strike-affected ministries continued to report for their jobs but do no work as part of the protest movement against the shah and his military government.

At the Central Bank of Iran. however, senior officials reported some improvement. "The staff is working normally, except for two hours in the morning, when they break for a political meeting," one

The government has warned civil servants, including workers in the

which is surrounded by Flemish

The Flemish demand iron-clad

guarantees for the cultural rights of

the Fiemish minority in Brussels.

French-speaking Belgians living in

Flemish villages around the capital demand similar guarantees.

General elections for the second time in 20 months — instead of af-

ter four years - were called when Mr. Tindemans resigned two

months ago after his coalition split

over a devolution bill. Mr. Tinde-

mans' party, the Flemish wing of the Social Christians, refused to ap-

prove some proposed reforms which it said were contrary to the

constitution. No compromise was

Boeynants formed a transition gov-

ernment that prepared the elections

ues took positions that went well

beyond the proposals in the ongi-

During the campaign, most par-

and a revision of the constitution.

Defense Minister Paul Vanden

state-run oil industry, that they face fran. already crippled by work dismissal and loss of all privileges stoppages in its civil service and oil — such as subsidized housing and food - if they do not return to

> Meanwhile, oil-industry sources said there had been an improvement in attendance hy workers. pushing daily oil output to 1.2 mil-lion barrels — the most in more than a week, but still far from the normal 6 million barrels.

The governor of the oil province of Khuzestan. Gen. Boghrat Jafarian, said workers at the world's big gest oil refinery at Abadan had started going back to work and he predicted that others would return gradually. However, a clear picture attendance in the oil industry and the civil service was not expected until Tuesday.

In response to the actions of troops and pro-shah demonstrators in several towns last week, doctors and nurses met at Tehran's Pahlavi Hospital today 23d decided not to treat troops or their relatives under the medical-insurance plan. "From now on they will have to pay cash." one doctor said.

Visit to Khomeini

Political interest centered today on a scheduled visit to the exiled leader of the Shiite Mosiem opposi-tion to the shah. Ayatollah Ruhollab Khomeini, by one of his chief lieutenants tomorrow near Paris. It was Avatollah Khomeini wbo called tomorrow's general strike, a.m. yesterday. He is to be visited tomorrow by Ayatollah Hossein-ali Montazeri, who was released from jail under an am-(Continued on Page 2, Col. 4)

Two Challenge Zambia Election LUSAKA, Zambia, Dec. (7 (AP)

 Two opposition Zambian politi-cal leaders have challenged the re-sults of last week's national elections in which Kenneth Kaunda was elected president for the fourth

A former vice president, Simon Kapwepwe, and a former opposi-tion leader in Parliament, Harry Nkumbula, have appealed to the supreme count to protest a pre-election ruling of the high court that allowed Mr. Kaunda to be the sole presidential candidate. Both men sought in vain to contest the presi-

Move May Alter World Order By Richard Burt

U.S., China to Set Up

Full Diplomatic Ties

Administration Officials Say

WASHINGTON, Dec. 17 (NYT) — White House officials said yesterday that the establishment of full diplomatic relations with China constituted a landmark decision that should lead to a fundamental realignment of global politics.

Senior White House and State Department aides said in interviews that President Carter's surprise decision to normalize relations with Peking on Jan. I would help move global politics away from a system dominated by two military giants, the United States and the Soviet Union, toward an international order composed of several major powers, including China.

The officials said Mr. Carter's dramatic announcement Friday night was the product of a highly secret series of discussions that began last summer. It was only last week, however, that the major breakthrough in the talks occurred, they

said, when the White House learned that although Peking still insisted that U.S. arms exports to Taiwan should be halted, it no longer made this a prerequisite to formal relations with the Umited

Obviously pleased with the new development, officials said that Mr. Carter's decision had met with widespread approval in foreign capitals and that the president had been congratulated by his two predecessors, Richard Nixon and Gerald Ford, and by Henry Kissinger, the former secretary of state.

Congressional Complaints

However, on Capitol Hill the administration's decision was seen by some critics as essentially abandoning Taiwan, and others complained about the lack of prior consultation with Congress.

There were suggestions, such as by those Sen.

(Continued on Page 2, Col. 6)



A demonstrator outside the U.S. Embassy in Tainei is restrained by a policeman after the announcement that the United States would sever diplomatic relations with Taiwan and exchange ambassadors with the People's Republic of China. "This is the second time the United States has betrayed us." the man, a retired serviceman, shouted. "The first was on the Chinese continent."

Trade Pacts Remain Crucial to Survival

Taiwan's Reaction to Act Is Restrained

By Henry Scott-Stokes

TAIPEI. Dec. 17 (NYT) - After a brief spasm of anger and outrage, the government of Taiwan responded with studied moderation yesterday to President Carter's announcement that the United States would sever diplomatic relations with Nationalist China and normalize relations with Peking. President Chiang Ching-kuo said

in a television address last night: "I want to thank all those friends in America who have supported us. From now on the Republic of China will continue to strengthen the friendship and mutual interests of

the two peoples."

Mr. Chiang, 68, spoke in solemn tones, but he showed none of the indignation that colored the government's first communique, drafted after a hashly convened meeting with the United States amhassador. Leonard Unger, at 2

'Blow to Free World'

In the communique the govern-ment said: "The decision by the United States to establish diplomade relations with the Chinese Communist regime bas not only se-riously damaged the rights and interests of the government and peo-ple of the Republic of China, but also bas had tremendous adverse impact upon the entire free world."

The streets of Taipei were jammed with shoppers yesterday,

but there were no major demonstrations. A thinly reinforced police guard stood at a barrier outside the two-story United States Embassy in downtown Taipei.

An angry group of about 100 students and workers gathered before the embassy late yesterday after-

noon. They stood before a cartoon of a huge set of teeth, representing President Carter, on which a collapsed American flag lay in a heap. "One big step by a peanut politi-cian," read the caption.

Mr. Chiang said on television: "I warn my fellow countrymen that Communist China has exploited a weakness in the United States government and will from now on intensify its dirty tricks, seeking to divide, subvert and sabotage

Anti-Communist Policy Affirmed

"I repeat firmly that we will never negotiate with Communist China," he continued. "To do so would amount to self-destruction. On the contrary, only if we stay firm in our anti-Communist policy can we build up our country.

But the government's only major decisions yesterday were to post-pone elections that were scheduled for next Saturday for all 104 scats in the legislature, and to halt election campaigns.

Mr. Chiang accepted the resigna

tion of Foreign Minister Shen Chang-huan but he declined to al-low the resignation of Premier Sun-Yun-suan and named him to as-sume Mr. Shen's duties in addition to his own.

"Recognition of Communist China by the United States was not a surprise," said LF. Wang, chairman (Continued on Page 2, Col. 1)

Washington To End Pact With Taipei By Terence Smith

WASHINGTON, Dec. 17 (WP) - President Carter has announced "an historic agreement" under which the United States and the People's Republic of China will es-tablish diplomatic relations on Jan. 1. He also announced that Teng Hisao-ping, the powerful deputy premier of China, will visit the United States on Jan. 29.

The visit will be the first by a high-level Communist Chinese official since the end of the Chinese Civil War in 1949. It will end what administration officials described Friday night as "a 30-year anomaly in international affairs."

In a dramatic and unexpected speech on national television Friday night, Mr. Carter also an-nounced that the United States will terminate its diplomatic relations and mutual defense treaty with

The United States will also withdraw its remaining military person-nel from Taiwan within four

'Simple Reality'

"We do not undertake this important step for transient, tactical reasons," Mr. Carter said, "In recognizing that the government of the People's Republic of China is the single government of China, we are recognizing simple reality."

Speaking to reporters in the White House press room after his speech, an ebulliant Mr. Carter said

the new agreement would open "a new vista of trade relations with the almost one billion people of

He added his own feeling that "the security of Taiwan is ade-quately protected" under the agree-

The president conceded that the normalization of relations with Communist China after nearly 30 years was a politically controversial act, and he said that it had received "mixed response" from congressional leaders with whom he met carlier in the evening.

The move drew angry fire from

both moderate and conservative Republicans. Sen. Barry Goldwater of Arizona denounced it as "a cowardly act," and charged that it "stabs in the back the nation of Taiwan." Bill Brock, the Republican National Chairman, accused the president of "callous disregard for a fine friend and a loyal ally."

No Explicit Pledge Briefing reporters after the

speech, senior administration offi-cials conceded that they had not obtained an explicit pledge from mainland China not to use force to conquer Taiwan: But the officials maintained that

such a position was implicit in the Chinese acceptance of the unilateral U.S. statement issued to coincide with the speech. The statement expresses the continued U.S. interest in the peaceful resolution of the Taiwan issue. They also felt that the recent

public statements by Chinese leaders, indicating that the Taiwanese (Continued on Page 2, Col. 7)

Criticism Centers on Fate of Taiwan

Republicans Assail Normalization Plan By David S. Broder

and Bill Peterson WASHINGTON, Dec. 17 (WP)

- A major political storm has blown up over President Carter's surprise decision to recognize main-land China and scrap the U.S. de-fense commitment to Taiwan. The president's Friday night au-

nouncement was endorsed by former President Ford, but it was de-nounced as a blow to U.S. international credibility by most other prominent Republicans. Two key Democrats on the Sen-

Two key Democrats on the Senate Foreign Relations Committee joined Republicans in questioning whether Mr. Carter had fulfilled a legal requirement for "prior consultation" with Congress before announcing the end of the U.S.-Taiwan defense treaty.

Sens. John Glenn Jr., D-Ohio, Richard Stone D. Els. chaland ministration. I approve of the action to be taken by the Carter administration.

Sens. John Glenn Jr., D-Ohio, and Richard Stone, D-Fla., challenged Mr. Carter on the ground that he had scrapped the treary without the consultation required by n unanimous Senate resolution and a provision of the defense ap-propriations bill, both passed this Calling a few of us in one hourbefore he goes on television doesn't seem like much consultation." Sen.

Glenn said. The provision was added to the defense bill by Sen. Stone and Sen. Bob Dole, R-Kan., who said it was "obvious there has been no full consultation with Congress."

But while Sen. Dole was de-manding that "our defense commitment to Taiwan remain intact,"
Mr. Ford, his 1976 GOP running
mate, was weighing in on Mr.
Carter's side of the burgeoning

administration."

Mr. Ford's was one of very few voices of Republican support, however, and party chairman Bill Brock led a chorus of criticism that in-

ate and conservative GOP wings. George Bush, a former head of the U.S. liaison office in Peking and a 1980 Republican presidential hopeful, said. We gave all and got nothing." He said he favored improving relations with Peking, but he feared that "in acquiescing to China's . . . demands, with no apparent guarantee of a Taiwan solution, we are simply diminishing U.S. credibility around the wourld."

cluded leaders of both the moder-

Most Democrats rallied to Mr. Carter's side. Sen. Edward Kenne-dy of Massachusetts said the estabhishment of "normal and enduring relations with 900 million people on the mainland" was fully com-parble with "assuring the peace and prosperity of the people on Taiwan."

Senate Majority Leader Robert Byrd, D-W.Va., called normaliza-tion "a natural and positive ad-vancement...that will contribute

(Continued on Page 2, Col. 2)



U.S. Ties Climax Intense Peking Debate, Policy Shifts

HONG KONG. Dec. 17 (WP) — China's sudden agreement to full diplomatic relations with the United States climaxes a month of extraordinary debate in Peking and two years of dramatic shifts in Chi-

nese foreign and domestic policy.

In a single stroke, the Chinese have cast aside their refusal to allow continued American arms sales and other guarantees of Taiwan's security in any normalization arrangement and have announced the first visit of a top Chinese Commu-nist leader to Washington.

The decision opens the way for wide-ranging diplomatic, social and economic contacts between the world's richest nation and its most-

Coupled with China's recent landmark friendship treary with Ja-pan and an explosion of international trade and diplomatic contacts, the announcement of full re-lations with the United States and Vice Chairman Teng Hsiao-ping's scheduled January visit revealed a daring Peking decision to solidify ties with the West and build the Chinese economy regardless of so-

cialist ideology and national pride.

The decision, apparently made at a series of top-level meetings in Peking in recent weeks, suggests that the Chinese are deeply concerned by reported Soviet efforts to bolster forces on the Chinese border, by Moscow's new nes with Vietnam, and by the growing Vietnamese as-sault on China's ally, Cambodia.

Violation of Principle

By accepting the continuation of U.S. arms shipments to Taiwan, Pe-king has essentially endorsed American intervention in what it considers a civil war — a violation of Chinese principle that many dip-lomats here thought no Peking government would ever sanction.

At a press conference held in Peking to announce the normalization decision, the Chinese Communist Party chairman, Hua Kuo-feng, re-peated the usual Chinese contention that "we can absolutely not agree" to limited arms sales to Taiwan. But be indicated China's decision to tacitly allow the sales by saying that although "our two sides bad differences on this point. . . nevertheless, we reached agreement on the joint commu-

The sudden turn of events is a triumph for Mr. Teng, who has pushed his pragmatic line in for-

of a foreign-affairs committee in

the legislature, "but the timing was a shock, on the eve of elections."

The reasons seem self-evident:

The United States is Taiwan's larg-

est trade partner. Trade last year

between the two amounted to \$5.6

billion of a total foreign-trade fig-

ure of \$17.9 billion. The two

nations, Mr. Chiang in effect

noted, are bound by trade. Taiwan,

though a vigorous and rapidly ex-

panding commercial nation of 17

million persons, is overwhelmingly

dependent on this trade. Taiwan's foreign trade nearly equals its gross

Threat is Minimized

the minister of economic affairs,

Taiwan is not necessarily threat-

ened by the United States recogni-

tion of Peking. "Recognition will

not have a serious effect on the eco-

nomic stability of Taiwan, for all that it is regrettable," she said. "Ev-

cryone knows that Taiwan has

plenty of foreign reserves [at \$6.5 hillion], booming foreign trade."
She said that "the government will

continue with its policy of free trade, stepping up imports in the

U.S. businessmen here expressed confidence in Taiwan. "This move

has been anticipated by American investors for a long time," said

normalization will in no sense af-

of Americans in Taiwan." He pre-

dicted that trade between the two

nations would expand. He criti-cized President Carter's decision to

sever relations with Taiwan, howev-

Citibank here, said that the bank

would remain in Taiwan "by all

er, as "a historic mistake."

According to Chang Kuang-shih,

national product.

cal purge. The decision also provides a major landmark in the new era of reforms that began in China with the death of Mao on Sept. 9,

Mao made the first move to improve relations with the United States when he invited President Richard Nixon to Peking seven years ago, but he never appeared ready for an agreement that is as

ening of China's defenses.

Even more importantly. Peking needs American technology and financial resources to meet its goal of domestic or foreign policy in the

Union from any serious border intervention while they build up their ill-equipped and undertrained armed forces. U.S. approval of sales of European arms to China and what is expected to be a quick solution to a 30-year problem of frezen assets — will allow American banks to provide speedy loans and allow the Chinese to take adwould also help speed the strength-ening of China's defenses.

and allow the Chinese to take ad-vantage of lower tariffs and other

today expressed virtual unanimity that the Russians will find it diffi-

cult to raise initial objections over the normalization. This is some-

thing they have criticized the U.S. for not having for perhaps 20 years," one senior diplomat said.
"Of course, their view has changed

a little from former days, but I should think they will find it diffi-cult to complain about."

say that they believe that the Russians would view with alarm any

U.S. effort arising from normaliza-

tion to begin arms or technology

transfers to China in a major way.

That's the bottom line for them.

one source said. "It is something

they have made quite clear on

Anger at Japan

king has hardened this year in the face of continued Chinese successes

in diplomacy and at the negotiating

table. The principal cause of Krem-

lin anger and alarm this fall is the

Sino-Japanese peace and friendship

treaty, which contains an "anti-hegemony" clause that the Rus-

sians interpret as directed at them

to binnt their legitimate attempts at

The Peking-Washington commu-nique has a similar anti-begemony clause, pledging the two nations not to seek hegemony in Asia or

elsewhere and to oppose similar at-tempts by any other nanon. The

Kremlin seems certain to view the

clause as aimed at it and this may

The Soviet attitude toward Pe-

many occasions."

influence in Asia.

At the same time, these sources

Another 'Reality to Reckon With'

U.S. Move to Test Russians on SALT

By Kevin Klose

MOSCOW, Dec. 17 (WP) -Leonid Brezhnev, in a pugnacious toast six weeks ago to a new Soviet-Viemamese friendship treaty that is aimed squarely at China, declared the pact to be "a political reality and whether they want it or not, they will have to reckon with this

Yesterday, a Chinese source permitted himself a smile as he re-called Mr. Brezhnev's words and savored the unpleasant political reality confronting the Kremlin: the announcement by President Carter that the United States and China would establish normal diplomatic

relations Jan. l.

The diplomatie breakthrough is: the most spectacular achievement of the new Chinese leadership since it began this year to break decades of isolation and challenge the Soviet Union around the world while seeking aid from the capitalists to modernize its economy.

Unpleasant Lesson

The Soviet leader's toast of Nov. 3 neatly summarizes the Kremlin's predicament: It is something they will have to learn to live with and it is going to be less than pleasant learning.

The news comes at a delicate moment in the U.S. Soviet relationship, which is on the upswing after more than a year of friction. The two nations are nearing completion of a new arms limitation treaty, which enuld lead to a Carter-Brezhnev summit as early as nextmonth in Washington.

A major unanswered question,

however, is bow the United States

should deal with the many treaties

with Taiwan. These cover trade,

educational and other matters vital

to Taipei. Defense issues may be

less important by comparison. About \$1.66 billion, 48 percent of the \$3.45 billion fiscal 1978 budget.

went for defense. Taiwan has an

army of more than 500,000, with

these deliveries may continue,

A well-armed Taiwan may thus

reserves of 2 million.

nuclear fuel supply, and scientific, the termination of the 1954 mutual-

after the strong attack yesterday by test the establishment of relations Chairman Hua Kuo-feng of China between mainland China and the

on a Washington statement that United States. Police said that

itable.

lomatic successes in such places as Japan. Romania and Yugoslavia, where the Russians have long had European and Asian diplomats important interests in minimizing China's access and influence. The Kremlin's concern over Peking's success has been immeasurably. sharpened by the seeming readiness of France and Britain to sell China advanced weapons, such as the Harrier jet fighter and anti-tank missiles and to find financial cred-its for other major deals the Rus-sians would like to have.

Diplomats here were stunned by the news, saying that they had not-expected the White House to arrange for the resumption of full re-lations before the Brezhnev-Carter summit. The Russians have stated that the SALT treaty is too important to be affected by any other bi-lateral concerns. The Carter timing is going to put that to the test," one Western diplomat observed.

Glimpse in Geneva

He said that the first real Soviet reaction may come at the Geneva talks next week between Secretary of State Cyrus Vance and Soviet Foreign Minister Andrei Gromyko. It had been thought by several wellinformed Western sources here that the Geneva talks would wrap up the last, stubborn issues on the SALT II treaty and clear the way

for a summit. Beyond a brief news item by Tass there has been no public Soviet comment here. Some diplomats speculated that Peking-Washington normalization could act as a spurto the Russians to reach an agreement on SALT more quickly - as

Soviet appehensions about the Chinese have increased in recent months, triggered by Peking's dip-

breaking diplomatic ties here but

maintaining full commercial rela-

tions, appears in the last resort to

be acceptable to Taipei. The depar-

ture of 2.000 U.S. servicemen and

security pact by the end of next

year is unwelcome here, but spokes-

men for widely diversified interests

said that they regarded this as inev-

1,000 Protest U.S. Decision

there were no violent incidents and

be where the strongest Soviet reaction will come. What form such a response could take is unclear. The Russians in re-Taiwan's Reaction to Act Is Restrained cent months have issued a variety of warnings to the West in general, means," And a graduate student at the United States are another matand to the United States in particular, against trying to play the "China card." Initially, the Kremlin ire
was directed at Mr. Carter's national security adviser, Zbigniew Brzezinski, but then it broadened into Tam Kang College of Arts and Sciences, Dick Tai, commented, "It is because Taiwan much prefers better this issue is solved, the to do business with the United a snock, on the eve of elections.

Mr. Chiang expressed a need to "strengthen the friendship and the mutual interests of our two peoples," leaving little doubt that the government had embarked on a course of moderation toward the solutions as we stand together tall and firm."

Mr. Chiang expressed a need to sooner the better.

"We have been bumiliated long textiles and electronics, than with Japan, once colonial master of the island.

There should be no problem at all normalizing relations with Peking, and firm."

Brechner Predicts Regret

In a June speech in Minsk, Mr. House was pursuing "a short-sighted and dangerous policy" in its attempts to strengthen ties with Chi-"Its architects may bitterly regret it," he declared.

Last month, Georgi Arbatov, a senior adviser to the leadership on U.S. relations, said in an interview with a Western journalist that while the Soviet Union is not "scared by China," and favors normalization, the situation would look different TAIPEL Dec. 174AP) - About to us" if China established itself as a "some sort of military ally of the West -- " --

be more than ready to meet any na1,000 persons gathered: "A Acour
val assault by China across the
day in front of the U.S. Embassy."
Taiwan Straits, though the future
of U.S. arms deliveries is uncertain
of U.S. arms deliveries is uncertain If such an axis is built on an anti-Soviet basis, then there is no place for detente," be said.

Military Alliance Alleged

MOSCOW, Dec. 17 (AP) - The Soviet military newspaper Krasnaya Zvezda said today that the United States was striving to create a military-political bloc" along with Japan and China, aimed

Shah's Foes

Call a Strike
(Continued from Page 1) nesty declared by the shah six weeks ago.

Opposition politicians bere doubted that Ayatollah Montazen, who was freed after serving 3-4 years of a 10-year sentence, would try to persuade Ayatollah Khomeini to return to Iraa. That decision is Khomeini's alone," one said.
"I don't think he will come back until the shah goes."

Another opposition politician said that he believed Ayatollah Montazeri was going to Paris to sort out problems in the entograge Ayatollah Khomeini Some Tehran clergymen have been pre-vented recently from seeing the 78-year-old religious leader, the politi-

cian added.
In Paris, informed sources said Ayatollah Montazeri was ill and might be coming to France partly to receive medical treatment. They did not disclose the nature of his reported illness.

Figurehead Plan Reported

TEHRAN, Dec. 17 (WP) - The shah has agreed to become a figurehead monarch in an effort to preserve his dynasty, a close associate

said today. Jaafar Sharif-Emami, who was prime minister for a little over two months until a military-led govern-November, said the shah was now "convinced that for the bealth of the country and the benefit of the dynasty he should reign [but] not

"The trouble is," Mr. Sharif-Emami added, "people don't believe it yet."

eign and domestic affairs since he favorable to continued U.S. ties full industrialization by the 21st last 30 years has brought some kind century. Trade contacts have interesting the favorable to continued U.S. ties full industrialization by the 21st last 30 years has brought some kind century. Trade contacts have interesting the favorable to continued U.S. ties full industrialization by the 21st last 30 years has brought some kind century. Trade contacts have interesting the favorable to continued U.S. ties full industrialization by the 21st last 30 years has brought some kind century. Trade contacts have interesting the favorable to continued U.S. ties full industrialization by the 21st last 30 years has brought some kind century. Trade contacts have interesting the favorable to contact have interesting the favorable to continued U.S. ties full industrialization by the 21st last 30 years has brought some kind century. Trade contacts have interesting the favorable to contact have backing to discourage the Soviet tions between the two govern- government continues to complain of Union from any serious border inresistance to its new, pragmatic policies from officials who remain loval to the ideals of national selfreliance and internal class struggle formulated by Mao.

If the government experiences any significant failure in its effort to increase overall living standards and food supplies and to lower the rate of population growth, holdovers from the Mao era voicing nominal support for the government could rise again to challenge the num toward pragmatism.

Age Is Factor

Mr. Teng is 74. His age, and the advanced age of many of his most capable allies among the veteran pragmatists in the government, leaves some doubt as to future Chinese policy. Mr. Teng's nominal superior, Mr. Hua, has appeared to defer to him in most important domestic and foreign decisions in the last year, but Mr. Hua has indicated some opposition to the new scientific and technical elite that Mr. Teng wants to encourage in order

to speed modernization.

Many of Mr. Hua's potential allies among holdovers from the Mao era have been purged from important provincial and central offices in the last two years, but it remains possible that they could rise again, ust as Mr. Teng himself did after

being purged twice by Mao.

Mr. Teng has told interviewers that be wished to visit the United States at least once before he went to "see Marx." He addressed the United Nations General Assembly in New York in 1974, but that was not considered an American visit. He remains the leading Chinese negotiator on relations with the United States and led the talks with Secretary of State Cyrus Vance in Peking in August, 1977.

The sudden normalization an-nouncement indicates that the series of meetings at the Central Committee level that reportedly have been held in Peking in recent weeks have touched all major foreign and domestic problems.

The timing of the normalization decision suggests that an outpouring of wall posters in several Chinese cities, calling for reforms in foreign and domestic policy, may have been encouraged in part by Peking leaders who were seeking to persuade recalcitrant colleagues.

The normalization announcement also coincides with a period of great tension on China's border with Vietnam. Peking steruly warned Hanoi last week of serious consequences if it continued to make short raids into China. Vietnam has replied with allegations of Chinese incursions into its territory, and there have been reports of military preparations on both sides.

China Signals Taiwan Plans

(Continued from Page 1) tions to the cause of reunifying

As recently as March, Mr. Hua was stridently urging "the liber-ation of Taiwan by whatever means are necessary," an often-repeated slogan. But in announcing the sud-den normalization of Chinese U.S. relations, Mr. Hua dropped all refexences to "liberation" and instead

spoke only of "reunification." His ennciliatory approach was echoed by an editorial in today's editions of People's Daily, which said, "We are thinking of our Taiwan compatriots all the time, and the motherland, we know, is always in the minds of the people of Tarwan." The editorial endorsed remification but said that it would

be a lengthy process.

"We are firmly convinced that
the day will definitely come when Taiwan will return to the embrace of the motherland and when our fellow countrymen there will be reunited with their kith and kin on the mainland," the newspaper said. It is not known here what prom-

ises the Chinese may have made privately to the Carrer administranon about Taiwan's fate. In recent talks with other world leaders, however, the members of the Chinese hierarchy have pointedly disa-vowed use of force against Taiwan.

Assurance in Japan

In October, for example, according to Japanese sources, Deputy Premier Teng Hsiao-ping assured Takeo Fukuda, then premier of Japan, that the Chinese would never mount an assault on Taiwan. Mr. Teng reportedly admitted what many Western defense specialists have long believed, that the mainland lacks the military capa-bility for an invasion and that Taiwan is potentially such an important economic asset to the Chinese that it must be spared.

Mr. Teng's remarks were immediately, relayed to the United States, as he undoubtedly expected, Japanese diplomats say, and may have paved the way for normaliza-

Polithuro Faction

Anticipating considerable congressional opposition to the abrogation of the 1954 mutual-defense treaty that has bound the United States to Taiwan, the Carter administration had hoped for an on-therecord promise from Peking that Taiwan would not be liberated for-

The Hus regime balked at that, out of national pride and apparently some concern that such a promise would antagonize a power-ful faction of the Politburo, led by military figures such as Vice Chairman Yeh Chieng-ying and Defense Minister Hse Hsiang-chien.

O Los Angeles Times



Peking residents clamor for copies of People's Daily announcing U.S.-China relations.

Officials Call China Decision Landmark

(Continued from Page 1)
Bob Dole, R-Kansas, that the an-

nouncement of diplomatic ties with Peking was timed by the White House to offset the new problems that have emerged in efforts to reach a political settlement in the Middle East, but this was strongly denied by White House officials.

"The process of reaching an agreement had a momentum of its own," said a senior White House official. "It was unconnected with domestic considerations and was brought about by the decision of the Chinese to accept our terms for the establishment of relations."

Officials unted two primary ben-efits of normalization: It would enable the United States to rapidly establish strong trade and techno-logical links with China and at the same time give the United States greater diplomatic flexibility in East Asia and worldwide.

Timing Said Unconnected

They also predicted that the step would not worsen ties with the Soviet Union nor interfere with efforts to conclude quickly a strategic-arms agreement with Moscow. And in emphatic terms, the aides emphasized that the timing of the decision was not connected with a possible summit meeting early next year between Mr. Carter and Soviet President Leonid Brezhnev.

ior Defense Department official intentions.

The officials also pointed out would clearly belp the national set that the United States would retain curity of the United States and enhance the situation of U.S. forces in cultural and economic ties, includthe Western Pacific. This view was ing the supply of defensive arms, shared by the Joint Chiefs of Staff, after the formal termination of the he added.

The official said an overriding 1979. ennsideration in agreeing to nor-malization with Peking now was the administration's view that it would be much more difficult to accomplish at some future time if China's relations with the United Union were to change.

Summit Pressure

malization, State Department offi- used to retake Taiwan. cials said privately, was the likeli-hood of a Carter-Brezhnev summit special meanion of the key roles early next year. They said Mr. played in the "long, serious negoti-Carter's invitation to Teng Hsiao ations" with the Chinese by his ping to visit Washington next predecessors, Presidents Ford and month, which was evidently issued at a crucial point in negotiations Aides to the president said that earlier last week, may have had a the final push to enimplete the promalization.

The officials also said that for- within the last 10 days. mal des between Washington and Peking would be bound to affect a strong interest for some time in Moscow. But rather than upsetting reaching normalization with the U.S.-Soviet ties, several aides pre-dicted that the new developments U.S. position in Asia and as a

would make Mr. Brezhnev more in-terested than ever in completing a new arms accord with Mr. Carter. "Whether the White House will admit it or not," said one State De-partment official, "Mr. Carter's move has had the effect of establishing the 'triangular relationship' between Washington, Peking and

Moscow that the two previous administrations saw as the bedrock of their foreign policy."

Although Mr. Carter's decision to terminate the mutual-defense treaty with Taiwan has already provoked strong criticism from con-servative ranks, officials argued

that nothing in either the joint Chi-nese-U.S. communique or the uni-lateral statements of both parties jeopardizes the security of the In this regard, they note that Mr. Carter's unilateral statement reaf-firms that the United States continues to have an interest in the peace-

ful resolution of differences between China and Taiwan, and that does not contradict this.

Peking's own statement, released by Chinese Premier Huang Hua, Although the U.S.-Chinese communique says that after Jan. t Taiwan will be considered part of mainland China, the United States has reserved the right to cominue

Officials said that the administration, in essence, is adopting the policy chosen by Japan toward Taiwan when it recognized China in 1972. This was to continue a wide-range of bilateral contacts on the island while acknowledging

Peking's formal control.

With the exception of the withdrawal of about 650 U.S. servicemen from the island next year, officials did not anticipate any major changes in the near future in patterns of economie investment or other forms of U.S. involvement. And although Peking has not formally pledged to refrain from invading Taiwan, a senior White House aide said that the recent

"negotiating record" between Pe-king and Washington demonstrat-ed that Peking had no such inten-Although officials said that Peking's apparent concession on arms sales to Taiwan was the chief factor behind Mr. Carter's quick decision to agree to formal ties, they also suggested that the admin-istration's desire to bolster the present Chinese leadership played an important role, Following a course advocated by Mr. Teng, Peking has moved rapidly in recent months to

open new economic and political

ties with the West, a development-

that the White House has wanted

"unofficial" economic and cultural contacts with the island. President Leonid Brezhnev. "This was a strategic development in its own right," Zbigniew Brzezinski, Mr. Carter's assistant for national security, said in an interview. "It was not directed toward the Soviets or anyone else, but was designed to accomplish our objective of shaping a more open, pluralistic international system." On the strategic aspects of the strategi

On the strategic aspects of the situation could be resolved peacenew relationship with China, a sep-fully, were an indication of their

mutual-defense treaty at the end of

U.S. Concession

They also cited as a Chinese concession the agreement to exchange full ambassadors in March, before the formal termination of the U.S. States were to deteriorate or if Taiwan defense treaty. Previously, China's relations with the Soviet the Chinese had said they would never do this.

The major U.S. enncession in the agreement, however, was its will One of the chief factors driving ingness to sign without an explicit Peking to complete talks on nor-

In his speech, Mr. Carter made Nixon.

decisive impact on the Chinese de-cision to accept his terms for nor-China, and that the details of the agreement had fallen into place On the U.S. side, there has been

counterbalance to the Soviet Union. Earlier in the evening administration officials confirmed that Treasury Secretary Michael Blid And menthal would be traveling to China shortly for a broad discussion of

the enmplex problem of the Chinese and U.S. assets that have been

frozen in the two countries sine 0000 1950. These would have to be freed as part of the normalization pro-The United States claims that about \$200 million worth of USANCIA

financial and trade matters. Amonganthe subjects on his agenda will be to all

assets in China were seized at the end of the civil war. China is seek ing about \$80 million in blockets ...

\$300-Million Project On Weather Begun

WASHINGTON, Dec. 17 (Reuters) — A \$300-million project to improve weather forecasting in the next decade is under way, act cording to Richard Frank, head of the U.S. National Oceanie and At mospheric Administration.

Mr. Frank said the project, begun Dec. I and involving 147 course tries, would concentrate on the Southern Hemisphere. The project-would go on until Nov. 30 and will use four polar satellites, 50 ships, 110 aircraft, 300 high-altitude talloons and 300 buoys. The data will be processed in several countries.

OPEC Raises Price of Oil by 14.5%

(Continued from Page I).

here said that the real buying pow-er for producer countries of each barrel of their oil has declined 38 percent in the last two years. The OPEC communique said the cartel had agreed to cover only part of its losses through the new increase "in order to assist the world economy to further growth and also in order to support the current efforts toward strengthening the U.S. doltar and arresting inflationary trends."

There was no precise way to predict how the increase will affect prices for petroleum products in in-dustrialized countries. Some specialists have warned that the price of U.S. gasoline could eventually reflect the whole size of the decision bere, a rise that would eventually raise the price of a 60-cent gallon of gasoline to 68.7 cents.

In Western Europe, the effect on gasoline prices is expected to be smaller because about 80 percent of petrol prices there is accounted for by taxes, rather than by the cost of the original oil. But it was impossible to calculate precisely bow the decisions here will affect any consumer prices because of the numerous middlemen, transportation and variable labor costs in the oil indus-

The OPEC decision fell roughly

half-way between the appeals of Saudi Arabia, Kuwait, the United Arab Emirates and other moderate nations for a price increase of about 5 percent, and the demands of such pricing "hawks" as Iraq and Libya for 25-percent increases.

The ministers lashed out in their communique at the wasting of oil, and the oil minister of the United Arab Emirates, Sheikh Mana Said al-Otaiba, said that "I feel very strongly that oil is not the way of cheap fuel." He added, "Oil is not used in the best way and the sourc-

are very limited."
Mr. Otaiba said the increase de cided on today "was very reason" hable and gradual." OPEC nations have seen their balance-of-pay: ments surplus dip from \$65 billions in 1974 to an estimated \$15 billions for this year. While all OPEC countries had a surplus in 1974, after the quadrupling of world oil prices in the 1973-74 period, the cartes eight most populous nations are pected to have a deficit of a half-billion dollars in 1978.

es of energy in the very near future

WEATHER.

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MSTERDAM	2 34	Mist	MIAMI	20 73	Fol
NKARA	7 45	Mist	MILAN	1 34	Foo
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EIRUT	17 M	Foir	MOSCOW	239	N.
BLORADE	10 50	Cloudy	MUNICK	5 41	Ovi
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RUSSELS	0 32	Feir	NICE	· u 97	Fob
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eunday - 7 p.m. - 9 p.m.

Republicans Assail Plan To Normalize China Ties (Continued from Page I)

But Taiwan's economic des with no arrests.

to our national interest and aid the stability of world peace." Mr. Carter told reporters at the Robert Parker, president of the United States Chamber of Com-merce here. "I am confident that White House that there had been a "mixed reaction" among senators invited for a briefing, and that was evident in their comments.

Sen. Glenn, head of the Far East subcommittee of the Foreign Relafect the confidence and investments tions Committee, said there was " little less security for Taiwan than I would like to see," and he called on Peking to make "a much more positive commitment" against using force on the island. Kent Price, a vice president of

'10 Years From Now' . They don't have the military ca-

pability of taking Taiwan right now," he said, "but it's 10 years from now that I'm concerned Former Secretary of State Henry Kissinger, now a consultant to NBC, told that network that he supported Mr. Carter's move but wanted to be sure the United States

fulfilled its "moral obligation to the people of Taiwan." For more than a quarter-century, since the Chinese Nationalists were driven off the mainland onto Taiwan, the United States has besitated to shift its recognition to Peking.

in his 1972 visit to Peking — a point Mr. Carter cited twice Friday night in an effort to give his decision a bipartisan enloration.

But eventual normalization was

Disgraceful' But Mr. Brock rejected Mr. Carter's "awkward effort to clothe this act in bipartisan rhetoric" and said, "The president's actions are disgraceful."

In recent months, major U.S. businesses bave begun signing big contracts with Peking for industrial

and construction projects, and China has emerged as a market for sur-plus U.S. farm goods.

Sen. Harrison Williams Jr., D-N.J., was one of many backers of the Carter move who cited the "enormous trade possibilities" now that the "obstacle" of Taiwan's recognition has been removed.

Much of the reaction followed predictable lines.

Rep. Philip Crane, R-III., a de-clared candidate for the 1980 presi-

dential nomination, said the action was "a contradiction of President Carter's own human-rights rhetoric" and "can only contribute to a belief that the word of the United States can't be trusted. Sen. Frank Church, D-Idaho, new chairman of the Foreign Rela-tions Committee, said Mr. Carter's decision "finally brings American

policy into line with Asian reali-

Positive Step'. Sen. Alan Cranston, D-Calif., the Democratic whip, called the move a very positive step toward world

But Rep. Robert Bauman, R-Md., labeled it "the greatest act of appeasement since Neville Chamberlain went to Munich," and said it would stir a battle that would "make the Panama Canal pledged by former President Nixon treaty fight minor by comparison."

Hayakawa Turious'

WASHINGTON, Dec. 17 -Some of the angriest reaction to the ment come into power in early president's announcement came from Sen. S.L. Hayakawa, R-Calif., Friday night.

Declaring that he was "pretty

damn furious," the senator said, "We've given diplomatic recognition to perhaps the world's greatest enncentration camp.

Soviet-Taiwan Tie Hinted By Carter in China Talks

By Don Oberdorfer and Edward Walsh

emissary in the Oval Office on Sept. 19 that the United States inended to continue supplying arms in Taiwan indefinitely as a contribution to Asian stability and to forestall developments that would e undesirable from the viewpoint

fie undestrable from the viewpoint of both big powers.

Mr. Carter did not spell out the obvious danger of a future Moscow-Taiwan military relationship in his talk with Chai Tse-min, new-ty answed chief of the Chinese Liaison Office, according to informed U.S. officials, but there was little doubt among those officials that Mr. Carter's point was understood by the Chinese.
The president's justification for

Continuing U.S. arms sales to Traiwan, one of the most delicate and difficult issues in almost six months of secret negotiations with Peking, was disclosed yesterday as Carter administration officials described how the normalization scribed how the normalization of diplomatic relations with China—
line and mine announced Friday night—evolved
line white and where it may lead.

Other Developments

Other Developments

e totale comple

Among other developments:

Among other Defense Departs A senior Defense Department official said that military analysts official said that military analysts do not believe China could invade Taiwan successfully for at least five years, and that the analysts do not though place believe that China has any intended to the place of lamching such an invasion.

Treasury Secretary Michael

Treasury Secretary Michael the said has filumenthal and Commerce secre-tion and has filmenthal and Commerce secre-tion in the said has been began making the second of the second commerce secre-tion had be relations and the settlement of fi-relations and the settlement of fimarcial claims pending since the Communist takeover of China in

when the charging that the Carter administration ration caved in to Chinese demands, called for early hearings. Fig. Committee on future U.S. relations

A senior administration offi-West are for the expected Strategic Arms Limitation Treaty with the Soviet Union. The official said that the United States still hopes that Soviet Z.C. Chilled Rezoned Breznney will come to Washington to sign a completed SALT treaty in mid-January, beginning fore the Jan. 29 visit here of Chilled Resoner Tens Hsiao-ping.

1 2 Willnese Vice Premier Teng Hsiao-ping. Most attention in Washington ; resterday centered on the arrange-

Officials said that the U.S. objective was to achieve the substance of Chinese peaceful intent regarding Taiwan and to enhance U.S. confi-China firmly regards the future reunification of Taiwan with the

First, the United States insisted successfully that the Mutual Defense Treaty with Taiwan will be ended with one year's notice as provided in the document rather than scrapped overnight. The effect of this, officials noted, is that the United States will have both a defense pact with Taiwan and diplo-matie relations with Peking for a year from Jan. 1, 1979, when a fortual treaty termination notice is to be given Taiwan and relations established with China

U.S. Statement

ed on stating that it "continues to have an interest in the peaceful respects that the Taiwan issue and ex-pects that the Taiwan issue will be settled peacefully by the Chinese themselves." Another part of this arrangement is that the Chinese would not make any statement contradicting the U.S. stand.

Third, and perhaps most diffi-cult, the United States insisted on continuing the sale of arms to Taiwan even after normalization of relations with Peking and termination of the military pact with

Mr. Hua announced that "we can absolutely not agree to this; but that, nevertheless, normalization of relations with Washington will go forward."

the possible voter fraud, she said

she kept silent ont of fear of retalia-

Affidavits Required

Mr. Jones's adherents probably numbered about 5,000 — a sizable bloc in a city where the average vo-

ter turnout runs close to 200,000.

In the runoff election for the mayor's office in 1975, for example,

Mayor Moscone was elected by just

4,000 votes, and Mr. Freitas won

by less than 10,000.

Mr. Jones grew concerned.

attorney who was also a longtime

Although former cult members said that Mr. Jones and his follow-

ers worked for the election of Mr.

Freitas, Mr. Freitas said that he

had not been aware of their sup-

port or of the cult's existence until

The Peoples Temple is a nonpro-

fit California corporation that has

Anyone registering to vote here

tion from Mr. Jones.

larations were not checked.

La 1975 San Francisco Election

Jones Allegedly Organized Busloads of Illegal Voters

By John M. Crewdson that address without her knowl-

JAMES SAN FRANCISCO, Dec. 17 NYT) — Determined to help elect temple, James Jones ordered what anized campaign of fraudulent oring practices that included importing busloads of illegal voters to ast their ballots in this city's 1975 in 1975 was required to sign an affi-davit affirming that his residence was in San Francisco, but the dec-

131 11' Rejunicipal elections. Among those named by some of dr. Jones' former followers as reipients of his political support rere Mayor George Moscone and impervisor Harvey Milk, both of thom were shot and killed in their ity Hall offices three weeks ago, legedly by a former city official.

and ag was unrelated to the Peoples The former followers said that oseph Freitas, the San Francisco Istrict attorney, Mervyn Dymally, he lientenant governor of Califor-ia; State Sen. Milton Marks and Villie Brown Jr., the city's state

semblyman. The alleged voting fraud is under a leged voting fraud is under a leged voting fraud is under leged voting fraud i ofer registration in California is ejury, a felony punishable by up o lour years in prison.

Out-of-Town Voters

One former cult member, Neva falley, Mr. Jones' settlement in othern California, and also from the cult's branch in Los Angeles. the out-of-town voters, Mrs. Sty aid, were previously registered at the addresses of cult members livening addresses of cult members livening the investigation. Al-

By in San Francisco.

Don Sly, the man identified as though about 50 persons were indicted, none was a member of the investigation.

Leo Ryan at the cult's Guyana the cult's Guyana though as a member of the indicted, none was a member of the investigation.

Although former cult members a commune a month ago, is mong those unaccounted for in he aftermath of Rep. Ryan's murlet and the Jonestown, Guyana, murder-suicide ritual in which Mr. ones and more than 900 of his fol-

Wanda Johnson, who resigned.

Wanda Johnson, who resigned After he assumed office, however, Mr. Freitas was among those who attended a testimonial dinner who attended a testimonial dinner in Mr. Jones' bonor, and last year Francisco temple in violation of an organization calling itself the realth and welfare laws had also Friends of Freitas.

The Peoples Temple is a nonproeen registered at addresses around

tay Henderson, who belonged claimed exemption from federal taxes on religious grounds. As such, and that several members who had it would be prohibited from making contributions to political candiever lived at her San Francisco ing contributions to political candi-

WASHINGTON, Dec. 17 (WP)

President Carter told a Chinese
politically sensitive part of the newy announced accord both here and

dence in a peaceful settlement there, even though an explicit Chi-nese statement of peaceful intention was considered unobtainable. mainland as an internal matter.

The United States acceded to the three basic Chinese conditions: sever diplomatic relations with Taiwan, withdraw all U.S. military forces, cancel all existing treaties. Nonetheless, in the administration view, the lengthy and highly secret negotiations produced three accomplishments. plishments regarding Taiwan's

Second, the United States insistolution of the Taiwan issue and ex-

The eventual solution, in this case, was a carefully crafted set of statements at a White House briefing Friday night and by Chinese Communist Party Chairman Hua Kuo-feng in an unprecedented news conference in Peking. The Americans announced that the sale of defensive arms to Taiwan on a restrained basis will continue.

We're at the confluence of a

tors, and inability to issue bonds and no rescue plan approved, the mayor, a Democrat, said. Those interlocking elements have placed the city in a position where it is imthe city in a position where it is impossible to maintain thousands and thousands of city employees." The city employs a total of 10,000 work-

edge. Once she became aware of Despite the emergence of numerto agree on some plan that would have provided for payment or refi-nancing of the \$15.5 million as well

> grave implications for this once thriving industrial city of 650,000 persons, the largest city in Ohio. It does not necessarily mean that bankruptcy is imminent. Neither the city nor its creditors have sought court intervention in the

Following an election, Mrs. Johnson said, members were required to produce ballot stubs showing that they had voted. Non-voters, she said, were "pushed city's affairs for settling its debts. around, roughed up, physically Asked how Mr. Jones could in-sure that members actually voted for his chosen candidates, Mrs. Mills said, "You don't understand. We wanted to do what he told us

After the 1975 election, Mr. Freitas, the new district attorney, began an inquiry into reports that large numbers of people had voted ille-gally. When be learned of this investigation, Mrs. Johnson said, Mr. Freitas placed Timothy Stoen, a newly hired deputy district

which the city owns. bers wanted any rescue plan to in-clude the sale of the plant, and the mayor refused to go along with it. The council members and the busi-

The pressures to force the 32-year-old mayor's unyielding hand have been intense. A group of City Council members took the mayor to court two weeks ago seeking a court order for the mayor to sell the

Friday night, the stakes grew higher when the Cleveland Trust Co., the city's biggest bank and one stodents, part of a group of 150 that balked at the mayor's fiscal whose tuition fees had been expectrescue program, offered to buy \$50 ed to save the school, arrived million in bonds from the city if the Thursday after the closing mayor would sign a City Council-announcements. More had been ex-



\$15.5 Million in Loans Unpaid

Cleveland Defaults as Deadline Passes

By Reginald Stuart

CLEVELAND, Dec. 17 (NYT) This city went into fiscal default yesterday when its government failed to repay \$15.5 million in loans to a group of local banks and the city treasury.

As Friday's midnight deadline for repayment of the loans passed, the City Council had not acted on the fiscal rehabilitation plan proposed by Mayor Dennis Kucinich. Operating under parliamentary procedures that prohibited a formal vote on the mayor's part the company of the proposed procedures. vote on the mayor's plan, the council adjourned at three minutes past midnight without considering the

Mayor Kucinich and his staff began preparing plans yesterday to lay off 3,000 to 5,000 city employees, beginning tomorrow, to con-serve the city's limited supply of

The crisis is a result of the city's shrinking income compared with the cost of operating government and, say financial experts, improp-er management of its funds in the past. The city anticipates a deficit this year and next year, has a \$52 million bond deficit and has \$40 million in short-term loans due within the next 12 months,

"There's no way that layoffs can be avoided," the mayor said yester-

number of events — default, antici-pated demand of debts from credi-

Political Battle

The council members had gathered at City Hall Friday for an 11 p.m. emergency session called by the mayor, who was seeking to surmount stiff council opposition before the deadline, which had been set by the bank-creditors.

ous plans and proposals, alternatives and options, a political war pitting the mayor against the ma-jority of the City Council and much of the business community failed to subside in time for the three groups as other loans that fall due next

Fiscal default, a term generally used to describe the point at which a city fails to pay fixed debts on loans or bonds on time, could have

Although many of those who filled the stately Cleveland City Council chambers Friday night expressed shock and dismay that Cleveland is the fust major U.S. city to default since the Depression, the prospects for this happening the prospects for this happening have been jelling for several weeks. There were many issues that created the political ill will among

leaders here and that eventually frustrated the prospects of agreement on fiscal rehabilitation that would have the backing of bankcreditors. Symbolic of those differences was a lingering dispute over the antiquated and debt-ridden Municipal Electric Light Plant,

The bankers and council memness community cited the plant as a tics by insisting on keeping it as a seats.

check on private power.

fiscal rehabilitation for the city fled to the sale of the light plant.

among urban organization representatives, is that the Cleveland significant in a property of the sale of the light plant. The mayor, however, denounced the banks and the council for making such a proposal, calling it "blackmail."

There were these other develop-· Mr. Kucinich, in a last-ditch

attempt to stave off default, called the White House yesterday asking for an advance on the city's federal revenue-sharing funds. The request was rejected as "impractical," according to a highly placed administration official

nation is a unique product of bi-zarre politics and bad management and that the state of Ohio and the city have the capacity to solve the

Rhodes is on Christmas vacation in Fort Lauderdale, Fla. and the state constitution prohibits the state from interfering with the affairs of The general feeling in Washing-ton, both in the administration and is, without being asked.

Rickover Shipyard Study **Cited Radiation Problems**

By Bernard Weinraub

WASHINGTON, Dec. 17 (NYT) - Two months before Adm, Hy-man Rickover, the bead of the U.S. Navy's nuclear-submarine program, testified that there were no radiation problems at the Portsmouth Naval Shipyard in New Hampshire, the admiral privately informed the Navy of serious radia-tion hazards at the yard, a Ralph

Nader organization said yesterday.

The organization, issuing copies of Adm. Rickover's confidential report to the Navy as well as his congressional testimony, urged De-fense Secretary Harold Brown to provide "a straightforward expla-

In a long statement responding to the charge, the Navy charged the Nader group with being both inacccurate and misleading. It said that "over the last dozen years, the total radiation exposure to ship-yard workers has been cut in half, even though the number of nnelear-powered ships has nearly doubled."

The Navy added that "in the last

decade, no one has received more exposure to radiation associated with naval nuclear-propulsion plants than allowed by federal regulations." The statement said the admiral's

language in his confidential report was "strong" because he demanded "high performance standards of radiological controls at all shipyards." But it added that the "deficiencies" listed at Portsmouth were not severe enough to be considered as probable violations of federal regulations.

The Nader report was issued by findings on Feb. 19.

the Critical Mass Energy Project, which is part of Public Citizen, one of the consumer activist's organizations. The report indicated that Adm. Rickover's comments before House Interstate and Foreign Commerce subcommittee on Feb. 28 conflicted with an internal 37page inspection report that Adm. Rickover sent to the Navy on Dec. 30, 1977, Adm. Rickover told the House

Subcommittee on Health and the Environment. To the best of our knowledge, ability and to the best scientific evidence we have, we do not see a problem" in radiation al

vices nuclear-powered submarines, faced major problems largely be-cause 80 percent of its personnel had failed written exams for radia-

the shipyard, problems in the yard's radiation-protection program, inaccurate radiation surveys and record-keeping and unnecessary worker exposure. Details about the high rate of cancer deaths among civilian work-

ers on nuclear submarines were disclosed earlier in the year by Dr. Thomas Najarian, a blood specialist at the Veterans Administration hospital in Boston. At the time, Dr. Najarian said that workers on nu-clear submarines at the Portsmouth clear submarines at the Portsmouth
yard had a cancer rate that was
more than twice the national rate.

The policies and been a usasset and been a The Boston Globe reported the "absolutely essential he [Carter] stick to his decision to keep the def-

Money Runs Out, Stranding Students From Abroad

Foreigners Fail to Save a U.S. College

By Michael Knight

PUTNEY, Vt., Dec. 17 (NYT) — Windham College began closing its doors here Friday. It was the latest in a growing list of small liberal-arts schools unable to survive in an era of declining college enroll-

The tiny school's closing, which was announced Thursday morning after money for food and heating oil ran out, will strand more than 75 students brought into the coun-try from Iran and Jordan in a lastditch attempt to keep the school alive. In September, before the foreign students arrived, the college had an enrollment of about 180.

had an enrollment of about 180.

The foreign students are part of a group of 500 recruited each year by a Pennsylvania educational-consulting company that attracts students with glowing descriptions of a quality education in the United worthless drain on the city. The States and then turns them over, mayor used the plant as the comer for a fee, to financially ailing stone of his "urban populism" polischools bere otherwise unable to fill

The halls of the college's administration building on a hillside in this little village were thronged Friday with anxious young men speak-ing Arabie and Persian who deluged college officials and a repre-sentative of the Iranian Consulate Municipal Light Plant in accordance with a 1977 ordinance to that effect. ing practices.

A carload of additional foreign sponsored resolution that provided pected to arrive before state N.H.

troopers sealed the campus yester-day to protect the interests of the college's creditors, who are owed more than \$6 million.

Windham's 180 American students, all that could be recruited to fill a modern \$10 million campus designed 10 years ago to accommodate 900 students, spent the day moving out and shifting through the debris of Thursday night's vandalism, in which angry students smashed chairs and tables, upended our parkage cans and lie automated ed garbage cans and lit numerous small fires.

The American students talked of going home Friday, but a number of foreign students said they might risk arrest by staying in the dormi-tories because they had nowhere else to go.

"They called us here from 10,000 miles away and risked our careers for nothing," said Samin Hwsain, a Pakistani. "We have no place to go and we have no money."

'Here is Nothing'

Others said they had been told that Windham was a large university in a big metropolitan center and that it was widely known for its medical school. They told us here it is nice place and here is good," said Abdol Reza Memenan, an Iranian. "Is nice place, but here is nothing "
. Similar complaints have been

filtering through New England in recent weeks as foreign students have been arriving at colleges that include Nathaniel Hawthorne College in Antrim, N.H., Daniel Webster College in Nashua, N.H. and Hesser College in Manchester,

Dr. Peter Galonis, who runs In-ternational Educational Services Inc. ont of his home in a suburb of Scranton, Pa., said his concern re-cruits about 500 such students, mostly in the Middle East, each year. He defended the arrangement as useful to the students and to the colleges, and said the students' complaints were the result of misunderstandings.

Windham Cleared

"There are a lot of petrodollars filtering through the Middle East and those places now, and people who didn't use to have any money suddenly do," he said. "They want an education for their children and an American schusztien an American education has prestige for them. The college-student supply here is drying up, so that's where I come in and get the two Dr. Galonis denied reports that

officials. The cards are needed before student visas can be issued.

Immigration officials sent bere this week cleared Windham of any wrongdoing in recruiting the stu-

Herbert Flaig, a vice president of the college for financial affairs, said that if all 150 foreign students had arrived on time and paid their full tuition, the 27-year-old college could have met its expenses and

But only 75 arrived and only 8 of those paid the full mition, he said, adding that the rest paid only token

Clears Way for GOP Hopefuls in 1980

Ford Rules Out New Hampshire Race

Wielding the Club

did nnt close the door on support-ing Mr. Carter in the coming fight on a strategic arms treaty with Rus-

He said he would make no deci-sion on supporting a SALT-2 agree-ment until it was finally negoriated and he had been briefed by both administration experts and critics of the treaty

of the treaty.

Mr. Ford renewed his criticism of Mr. Carter's actinns in scrapping some strategic weapons systems, asking rhetnrically. "Wnuldn'i it be

By David S. Broder

icit below \$30 billion, or his whole program will go down the drain."
Calling the administration's WASHINGTON, Dec. 17 (WP) - Former President Gerald Ford said Friday he would not be a can-didate in the 1980 New Hampshire primary and would not endorse or wage-price guidelines "just window dressing." Mr. Ford said be op-posed them because they are "not oluntary.' support anyone else for the Repub-

lican nomination.

In an hourlong talk with reporters, he did not firmly shut the door "Using the club of government in awarding contracts" to firms that comply with the guidelines is just one step short of mandatory controls, be said. on a late-starting candidacy of his own, but he went a long way toward taking himself out of the early maneuvering for the nomina-Despite his criticism of Mr. Carter's policies, Mr. Ford forecast that the president would be renominated by the Democrats. And he Saying it would be "good for the party and good for the candidates to have a full field in New Hampshire," Mr. Ford said "the

odds are heavy that I will not be involved under any foreseeable circumstances" in that state's leadoff primary in February 1980.
The statement confirmed the expectations of most of the 1980 Republican bopefuls about Mr. Ford's plans and cleared the way for some of them in push ahead with their

Sen. Robert Dole, R-Kan, Mr. Sen. Robert Dole, R-Kan., Mr. Fnrd's 1976 running mate, said, "If he's nnt in New Hampshire, 1 may be." Sen. Dole has made eight trips in New Hampshire in the past year, but has said that if Mr. Ford ran, he would defer to him. be would defer to him.

Bush Not Surprised

George Bush, former director of Central Intelligence who has alproblem.

• A spokesman for Gov. James
Rhodes said yesterday that Tom
Moyer, assistant to the governor,
was monitoring the developments
here but had no action plan. Gov.

Phodas is on Christmas vacation in

Lohn Sears, the manager of ready signed up many of the leaders of Mr. Ford's 1976 New Hamp-John Sears, the manager of Ronald Reagan's 1976 campaign,

said he was "surprised that Ford was that specific," but said the for-mer president had indicated such a decision in a recent private conver-sation with Mr. Reagan. Mr. Sears forecast the announcement of a Reagan campaign com-mittee by March 1. That same time-table was predicted for John Con-

nally by an aide to the former

Texas governor, who said he saw no reason why Mr. Connally would bypass New Hampshire if he ran. Two other possibilities — Sen. Howard Baker Jr., R-Tenn., and Rep. John Anderson, R-III. — said Mr. Ford's statement would not affect their plans or timetable. Mr. Anderson said he would decide "as early as possible in 1979" and Sen. Baker said his decision would wait

until summer. With Rep. Philip Crane, R-Ill., already announced and campaign-ing in New Hampshire, the field appears likely to include at least four and perhaps as many as seven

Mr. Ford did not explain specifi-But in his confidential report,
Adm. Rickover noted that the
Portsmouth shipyard, which ser-1976. But he said he had "no insatiable, scheming appetite to be presi-dent" and seemed content to let events decide whether he eventually

tion-control procedures.

This resulted, Adm. Rickover's report said, in an "unsatisfactory rate" in high-radiation incidents at said "there will be a contest down said "there will be a conte the line" before Republicans find a "consensus candidate."

He said he had no "favorite would not support one before convention time. While moving away from active participation in the 1980 contest.

the former president showed no hesitation in drawing the line with his successor in the White House. Texas oil executives and others Concorde service linking Dallas to He said President Carter's coonomic policies had been "a disas-

planes to have registration numbers that begin with an N. British laws require that British Airways planes have registration numbers that begin with a G. Thus, the N to cover
the G, because the Concorde must
be a U.S.-registered airplane if
Braniff is to fly it between Washinston and Dellas ington and Dallas.

that perhaps as many as two or three French digits or letters will have to be covered or altered before Braniff can fly an Air France Concorde. "We're still working on it," said Jerry Cox of Braniff.

airplane must be owned by a corporation "lawfully organized and doing business" in the United States. It cannot be registered "un-der the laws of any foreign COUDITY.

British Airways and Air France have organized subsidiary U.S. corporations to own the Concorde when Braniff flies it. That solves that problem. But it also means that the airplane's ownership must change every time a British or French crew gets off the plane and

be shown that the foreign registra-tion has ended or is invalid." Thus, his agents charged as much as a designee of Britain or France or the United States must be present cards," already signed by college at Dulles every time the Concorde at Dulles every time the Concorde comes through to certify that the "foreign" registration has been can-

Only after that bas been achieved can someone climb on the plane and paste on or remove the big N. The passengers never have to leave the plane, which means

they'll miss all this.
"I think we have an opportunity here to inaugurate something really special," said a British source who asked to remain unidentified. "We could call it 'the ceremony of the patch. At least once a week a brass
band could come out and play
while the fellow climbs and play
while the fellow climbs and play sums despite warnings and threats while the fellow climbs on the side of deportation.

(All Diamonds Gustanteed By Contincate

easier to sell a SALT-2 treaty if we had about four B-1 bombers coming off the production line right

siderations or the internal politics of the Republican Party would in-fluence his thinking on SALT, Mr. Ford noted that he had supported Mr. Carter on the Panama Canal treaties, when many Republicans said any person taking such a stance would be rejected in 1980 hy the GOP convention.

"SALT 2." he said, "is infinitely more important to the long-range security of the United States than the Panama Canal treaties. A person in my position . . . has to

Sunny Site of U.S. Meeting Gets

WASHINGTON, Dec. 17 - As the weather here grows cold and bhistery, the State Department is sponsoring an aviation confer-

And Rep. Glenn Anderson, D-Calif., is hopping mad about it, despite the fact that he has been invited to attend the Jan. 30-Feb. 2 meeting at the taxpayers' expense.

The conference should be held in Southern California — or in Florida, Puerto Rico or the Virgin Islands, Rep. Anderson wrote, "I am surprised and in fact shocked that the Department of State

where the aerospace industry is a leading employer, said he refused to attend the meeting — even though he is chairman of the House Public Works subcommittee on aviation, and even though the conference will feature 200 world experts on the international air-trans-

Los Angeles Times

Concorde's Texas Service Will Follow Bizarre Rules

By Douglas B. Feaver

WASHINGTON, Dec. 17 (WP) "Why is that man climbing the Concorde out there and pasting that great big letter N on the side of the airplane?"

To cover up the letter G, of course."

The legal nuts and bolts allow British Airways and Braniff International to inaugurate their one-stop, same-plane Concorde sereveryone expects the service to begin some time in January. vice between London and Dallas-Forth Worth appear to require such a change in the plane's registration number when the plane stops at Dulles International Airport near Dulles International Airport near

Washington. Air France and Braniff are going to do the same thing on their flights between Paris and Is Said Near End The airlines' "interchange agree-ment" will give British Airways and Air France more flying time for the expensive Concordes, which now sit unused ovenight at Dulles. For its part, Braniff will be able to offer

Bahrain via Washington and Lon-

But the red tape is something Federal laws require U.S. air-

The French laws are so confusing

Furthermore, a U.S. registered

now . . . with the kind of strong defense capability they represent?"

But when asked if partisan con-

make that decision regardless of its implications" for Republican poli-

He said, however, that it was important to his decision whether Mr. Carter fulfills his pledge to increase defense spending "across-the-board" this year by 3 percent above the inflation rate. "If there's a backoff from that pledge," Mr. Ford said, "it's a mustake."

House Member's Heated Protest

ence in sunny Kingston, Jamaica.

"I certainly agree that bolding the symposium in an area which does not suffer severe winters is a fine idea to encourage attendance and is conductive to a productive meeting." Rep. Anderson told Secretary of State Cyrus Vance in a letter released Friday.

would choose a foreign country in which to hold a symposium they are sponsoring, especially now, during severe balance-of-payment problems and fiscal contraints," he wrote. Rep. Anderson, who represents a Los Angeles suburban area

over the G. It could become international tradition," Air France-Braniff is planning two round trips a week between Paris and Dallas, British Airways-

Braniff is planning three round trips a week. The Concurde will fly upersonically only over the Atlan Final approvals are pending, but

Steel Walkout In W. Germany

DUESSELDORF, Dec. 17 (AP) The first steel strike in West Germany's industrial Ruhr area in 50 years appeared to be close to settlement today after 21 hours of

bargaining. Officials said that the latest nffer to the workers included a paid free shift every 13 weeks, more vacation and a 4 percent wage increase. Observers concluded that the proposals would lead to introduction of a 39-hour wark week by 1980. Officials said that it was now up to the tariff commissions on both sides. employers and unions, to approve mediation efforts and end the 20-

day strike. Meetings were sched-uled for today.

The IG Metall metal workers un-The IG Metall metal workers union is striking selectively at eight
iron and steel plants in the Ruhr
area and elsewhere in northern
Germany. Employers answered the
walkouts with lockouts in another
eight plants, idling 80,000 of the
area's 208,000 workers.
The strike fullowed a breakdown
of negotiations between IG Metall

of negotiations between IG Metall

workers, who demanded a 5 per-

cent raise and steps tn introduce a

35-bour week, which they said would safeguard jnbs.



Published with The New York Times and The Washington Post Page 4 Monday, December 18, 1978

The China Agreement

Patience, and Trust, in Mideast

stick now.

tive defense.

were last week.

them fast.

International Opinion

We do not pretend to comprehend the full implications of the agreement that has now been reached to establish full diplomatic relations between the United States and the People's Republic of China. Surely the test of it will lie not just in some larger geopolitical striking of balances between the world's great powers but also in the very specific matter of the fate of 18 million people on Taiwan. The critics have already zeroed in on the Taiwan question, and with good reason: The American commitment to the Taiwanese is of long standing. It is moral, not just legal. And other countries heavily dependent upon America's goodwill and good word have rea-son to concern themselves with the manner in which this country, in its future and expanded relations with Peking, holds fast to its obligations to Taiwan.

That said, it needs to be quickly added that there is a compelling logic to what President Carter has done to establish full diplomatic relations between Peking and Washington. This is basically what was contemplated when President Nixon made the first big breakthrough in 1972 and President Ford followed it up with his own visit to Peking. The only questions were when, on what terms, and to what purpose? So we begin with: Why now? And the answer seems to be that, from Jimmy Carter's point of view, an improved opportunity was there. He had let it be known last year that he was ready to proceed. But only in the past few months did it become apparent that authority in China seemed to be passing into the hands of a more outward-looking leadership, willing to modify its harsh terms vis-a-vis Taiwan in return for a rich variety of relationships with

And so, in hard bargaining over the past few weeks, a deal was struck. On the issue of Taiwan, Peking's concessions may not look impressive. The United States will "termi-

Egypt and Israel have lost an intangible

part of their historic peace by failing to sign

part of their historic peace by falling to sign a treaty before today, as they agreed at Camp David to try to do. Their hitherto patient broker, President Carter, is justly annoyed. Unjustly, he blames only Israel. All that is left in dispute are a few largely semantic and symbolic points. Israel could well yield on all of them without significantly

altering the shape of the peace at hand. But

so could Egypt. And the obviously desirable final compromise will be more difficult as

long as the United States stands with one

side. Indeed, this treaty will survive the inevi-

table disputes of interpretation only so long

as the American president is trusted by both

sides as an impartial court of last resort. No

momentary frustration should be allowed to

question: When, and under what conditions,

will the first Egyptian ambassador arrive in

Trivial, perhaps; the treaty in any case binds Egypt to establish diplomatic relations

with Israel as soon as the first stage of Isra-

el's withdrawal in the Sinai is completed -

in less than a year. Ambassadors come and

go rather freely as diplomatic relations warm and cool; the envoy here in dispute could be

withdrawn the day after he presents creden-tials. But President Sadat now asks a treaty

right to withhold this last symbol of peace if

Israel fails to meet a target date for Palestini-

an self-rule in the West Bank and Gaza. He

wants, in short, a tangible link between the

Egyptian-Israeli peace terms and the pace of

negotiations that will vitally depend also on

A suspicion that Israel may drag its heels

in future West Bank negotiations is not

unreasonable. But neither is the Israeli suspi-

cion that the peace proffered by Sadat will

disappear as soon as Egypt regains the Sinai.

or if Jordan and the Palestinians fail to nego-

The setting up of diplomatic relations

between America and China is an event of

immense significance and hope for the world.

The suspicion, hostility and, on occasion,

near war between these two great countries

was a constant menace to peace for almost

three decades. A growing partnership be-

tween China and America and the other na-

tions of the West would create a balance of

power that the ambitious monolith of the

The American name on the agreement will

be that of President Jimmy Carter. The world

Kremlin would not dare to disturb.

Jordan and the Palestinians.

U.S.-China Ties

Everything now seems to turn on a single

diminish that trust.

Israel?

nate" relations at the end of a year in accordance with a treaty provision, rather than abrogate the treaty. There is provision for American arms transfers, even after the termination of official relations. Cultural, commercial and even consular relations would be continued under legislation that the administration will send to Congress next year. And there is at least some sort of implicit acknowledgment on the part of Peking that the United States, while accepting that the resolution of the Taiwan issue is to be an internal concern of the People's Republic, does not expect that the jurisdictional question will be resolved by force.

The value of vitality of any of these conditions and terms depends, of course, on what it is the Chinese really want - and how badly they want it. The calculation the president clearly made was that the People's Republic is serious about its new desire for strength-ened economic and political relations with the West in general and the United States in particular. And if this is so, it would seem to follow tht Peking will not deal with Taiwan in a way that it must know would jeopardize these expanded relations. Mr. Carter must also have obviously calculated that a strengthened bilateral relationship with the Chinese would be an extremely useful elemenmt in his dealings with the Soviet

It is a gamble, and not just in highly com-plex geopolitical terms. It is also a very big gamble in domestic political terms, at a time when there is considerable anxiety, and not just on the far right, about Jimmy Carter's handling of SALT negotiations and his capacity to manage a SALT-2 agreement. So this took some political courage as well as adroit diplomacy on Mr. Carter's part. Time will tell whether it pay off.

tiate in good faith. What would Sadat and his White House friends be saying if Israel had

demanded a right to retain just a few miles of

Sinai desert until a West Bank deal is reached? The strain of trading hard-won territory for an easily altered declaration of peace is hard enough for the Israelis without this added psychological pressure. Camp David envisioned Israel's exchanging every inch

of Egyptian territory for a full measure of

peace. It is wrong to tamper with the yard-

the treaty's Article 6, which pledges the par-

ties to observe this treaty irrespective of

other obligations. Foreign Minister Dayan

foolishly boasted that this overrode Egypt's

defense arrangements' with other Arab

nations, and Sadat felt obliged to demand

assurances that he retained a right to collec-

What good is a peace treaty, ask the Israelis, if it leaves Egypt free to invoke a

military obligation to allies still at war with

them? The answer, of course, lies in the

future. Whether the Arab League has been

permanently split and whether Egypt will

ever again join in battles against Israel can-

not be decided by this treaty. But ratifying

the treaty is the best way to keep Egypt mov-

ing along a peaceful course. On this point,

the Israelis will surely yield if they are ap-

proached more sympathetically than they

these final details. The treaty is studded with

other target dates and the failure to meet the

very first, for its signing, is a serious setback.

But Egypt and Israel have already paid the

political price for this agreement; they must

be eager to realize its benefits. It was Presi-

dent Carter's fairness and patience that

brought peace so near; he ought to recover

owes him a debt of gratitude. But should not

someone else be remembered? In 1972 anoth-

er American president risked unpopularity

and hostility within his own party and em-

barked on a momentous, courageous visit to

China. The same man has since been dis-

graced. Wherever he goes, there are crowds

of demonstrators to scream insults. But long

after the shame of Watergate is forgotten it

might well be that Richard Milhous Nixon

will be remembered as a leader who did more

for peace and understanding than any other

- From the Sunday Express (London).

America statesman of the century.

-THE NEW YORK TIMES.

Time counts enormously in the pursuit of

The only other serious argument applies to

-THE WASHINGTON POST.



'Oh, Spirit - I Will Mend My Ways and Be the Most Tight-Fisted Scrooge You Ever Saw'

Recession: It Isn't Inevitable

By Joseph Kraft

last week. An unexpected rise in retail sales figures confirmed the view of the president's advisers that the recovery is still moving along brisk-ly and that a recession is not yet in

sight. Mr. Carter's advisers have been predicting that the final quarter of this year would show a rise in overall economic activity of about 3.5 percent. They have based that view on a wide variety of indicators. Their confidence has been strongly fortified by the continuing rise in employment — up by 375,000 jobs in October and by nearly half a million jobs in November.

Most private forecasters have seen growth in the final quarter below 3 percent, with a recession sure for 1979. Those pessimistic views have found support in industry's conservative plans for future investment. The Commerce Department, on Dec. 7, released its survey of planned spending for plant and equipment in the first half of next year. That usually reliable report projected an increase of only 8 percent — which, when cor-rection is made for inflation, amounts to a standstill.

In those uncertain conditions, government economists looked nervously to the retail sales figures that came out last Tuesday. A drop, which many feared, would show that while employment was surging and production on the rise, goods were merely piling up on shelves. That accumulation of inventory in the face of consumer resistance is one sure signal of recession to

As it happened, bowever, the retail sales figures exceeded expectations. November sales were up 2 percent over the previous month and 11 percent over the past year. The figure for sales in October was

-*Letters*-

Nixon Dossiers

WASHINGTON — On the economie front, the administration had a relatively little noticed but stunningly good piece of news the stunningly good piece of news that the present quarter will show a rise in gross national product of about 4 percent. The council figures that sales will be considered to the control of the present quarter will show a rise in gross national product of about 4 percent. The council figures that sales will generate new orders and force more capital spending than business now plans. Accordingly the council does not project a recession—as least as

> nition of two successive quarters of no growth — the next year. Budget Battle

measured by the conventional defi-

That fair prospect puts the president on high ground in the battle of the budget. If, as he pledged, Mr. Carter is to drive the deficit in the coming budget below \$30 billion, big cuts will have to be made in projected spending on programs for health, welfare and new jobs. A continuing rise in employment, however, makes it that much easier for the president to enforce, and for the departments to accept, and for the Congress to ratify decreased social spending.

More sales and more jobs, of

course, also herald more inflation. The present rate - about 9 percent annually - is already very high. To hold it down, moreover, the Federal Reserve Board has pushed up the prime interest rate to 11.5 percent — just short of the 12 percent record of 1974.

Further increases in interest rates would surely have an adverse effect on housing and other items bought on credit. Combined with cuts in federal spending, additional interest rate increases could bring on a recession.

Chairman William Miller of the Fed has signaled very clearly that — unlike some of his colleagues on the board - he would not welcome a recession to cool off the economy. But even he will have to go for higher rates, unless he sees other signs of restraint in the economy. The great hope in that respect

lies with the wage-price guidelines. The figure for sales in October was revised upward from a drop of one-half a percentage point to an increase of 1.3 percent.

On the strength of that showing, the president's Council of Economials with the wage-price galdenties. The administration developed the guidelines as a way to prevent labor on new wage contracts bound to kick prices even higher. The theory was that if wages could be held to

the 7 percent level, prices would rise less than 6 percent and infla-

The theory comes up for a test in negotiations now under way for a new Teamsters contract. Nobody can foretell the outcome. But the industry clearly does not want a strike. The union has important bargaining power. So the adminis-tration will have to press hard for observance of the guidelines if it wants to deal Chairman Miller the cards be needs to persuade his colleagues on the Fed against the further rise in interest rates apt to bring on the recession that is not truly inevitable.

rion would gradually tail off,

False Arguments On Southern Africa

By Stanley Hoffmann

CAMBRIDGE Mass. — Big guns are firing at the Carter administration's policy in southern Africa. We are being told that it embraces radical forces instead of creating moderate alternatives and that it plays into the hands of the Russians and Cubans, who are arming the radicals. The administration, the critics say, foments war between blacks and whites and fails to at and up to the Reds.

These arguments are false. In Rhodesia and Namibia (South-Rhodesia and Namibia (South-West Africa), the policy consists not in backing one side against the other but in advocating peaceful solutions based on elections in which all factions would participate, and on negotiations between forces that support the solutions advocated by Prime Minister Ian Smith and the South Africans and groups that have so far rejected these proposals as disguises for the perpetuation of white rule. Those who would like the United States to endorse Mr. Smith's internal settlement in Rhodesia are the ones who would force it to take sides. would force it to take sides.

To support the internal settlement, to yield to South Africa's maneuvers in Namibia, to suggest to the South African regime that the United States would do no more than denounce apartheid ver-bally in exchange for its coopera-tion roward "moderate" solutions in Rhodesia and Namibia, would be morally wrong and politically disastrous. To be sure, most black disastrous. To be sure, most black African regimes are not exemplary (violations of human rights being no less characteristic of "moderate" than of "radical" regimes). But their flaws or crimes in no way justify the continuing imposition of white-minority rule, open and repressive, as in South Africa, or directly perpetuated in Rhodesia or Namibia.

Double Mistake

For the United States automati-cally to back all those who are fighting "radical" guerrilla or polit-ical forces that receive Soviet or Cuban support would be a double mistake. It would assume wrongly that the division between radicals and moderates cannot be bridged, whereas many leaders turn to Soviet support not out of ideological solidarity but for simple political self-interest. By misinterpreting African realities in the light of Cold War concerns, the United States would actually set the stage both for a race war (as well as civil war among blacks), with the United States on the wrong side, and for a military solution, with the United States obviously handicapped in aiding the white regimes, and the Russians and Cubans capable of presenting themselves as the chamand moderates cannot be bridged. presenting themselves as the cham-pions of African aspirations for lib-eration and self-determination.

Henry Kissinger tells us that if we had succeeded in preventing the Cuban action in Angola, there The New York Times.

would be no Cubans elsewhere in Africa today. Maybe. But it was the U.S. decision to give military assistance to one Angolan faction, plus the fact of South African intervention on the same side, that providents are side, that providents are side. ed the opening for the Cubans on the other. Defeating the Cubans would have required direct military involvement in the dubious cause and would have alienated most black African states. The United States sought a test it could not

Folly assures failure but wisdom does not guarantee success. The chances of the Carter policy are uncertain. Is there still room for peaceful solutions? Blacks fighting against white rule have no great incentive to accept U.S. proposals unless Mr. Smith and Prime Minister P.W. Botha of South Africathow a willingness to accept the show a willingness to accept the kind of settlement that they have

refused so far.

This will require them to recognize that the only alternative to concession is disaster. Despite sanctions, this has not yet happened in Rhodesia. In the case of Namibia, and later in that of South Africa itself, it is unlikely to hap-Africa itself, it is innikely to hap-pen without stringent Western sanctions, which many Americans will resist. Meanwhile, opportunities for Soviet and Cuban influence persist. Once more we find that although the stakes are huge, our means are limited and the wisest. course is narrow.

The Critics' Logic

And yet any other course would be worse. While the United States may fail, it would at least avoid an tagonizing the black states, from line or not (like Nigeria), that have approved the present U.S. policy Critics of the policy would like the United States both to press Salis bury and Pretoria less vigoroush and to be more alarmed about 50 viet and Cuban penetration, as i the latter were not the result of the U.S. failure to press sufficiently hard earlier, in the days when Mr

Kissinger and Richard Nixon tilter toward the white regimes.
The critics' logic, if it were followed, would leave the United States with no other allies than handful of conservative African re gimes (some of which are liabilitie not because they are friends or cor. servative but because of their inte-nal condition) or the president c France (whose policy in souther Africa is, liowever, not so differer from that of the United States and bearing the albatross of pageand lasting connections with Sout -Africa. Those who fear Soviet don ination and want peaceful solution ... should support the present course: --

Stanley Hoffmann, professor government at Harvard, is a girl. columnist. He wrote this article feet.

No Happy New Year for Carter

By James Reston

teed himself the most formidable market in the world today. assortment of political opponents at home and abroad since Franklin

At home, his 1979 budget, with its emphasis on austerity, has troubled the Democratic liberals, the labor union leaders, the big-city may-ors, and the blacks — without conors, and the blacks — without consoling the bankers, the real estate "recognize" China — how can you
dealers and other big-business fail in "recognize" 800 million peooperators, who are not amused by ple? — but he does need the votes current high interest rates and donble-digit inflation.

Trouble Abroad .

Abroad, he seems to be in even more serious trouble. After all his efforts to produce a compromise in the Middle East, the Israelis are sore at him and vice versa, and President Sadat of Egypt is disap-pointed in him for continuing to finance an Israeli policy Carter does not really believe in. His allies in Europe wonder

about his intelligence services. Why was Washington surprised by the pro-Communist political switch in Afghanistan, and particularly by the dramatic religious revolution against the shah in Iran? Also, the allies ask, why was Carter so "soft" in dealing with the Communist military intrusion into Ethiopia and the Horn of Africa — so important to the defense of the West — while he was so bold in sending Secretary Blumenthal to Romania in defy the Soviets in a conflict Washington had no will or power to sustain?
In short, he is constantly surpris-

ing people hy his suddenness and by the timing of his decisions. He did not merely play "the China card," but under pressure from Teng Hsaio-ping, he strewed the whole deck of cards on the table just when the Russians were shuf-fling their hand. This is likely to produce quite an exciting game next time around. But Carter still

has a few aces up his sleeve.
Sez. Barry Goldwater may condemn the normalization of relations with China as a cowardly act," but the influence of the pro-Taiwan "China lobby" has waned. The Goldwaters will argue the "ethics" of the China dilemma, but it is hard to oppose the mathematics of "recognizing" 800 million people rather than the 17 million on Taiwan. And there is no indication that the Goldwaters can carry the Republican Party with them on

As the new government in Pe-

WASHINGTON — Jimmy reaches for the trade and technolo-Carter, if he's lucky, may gy of the advanced nations, nobody have a Merry Christmas, but he is is going to be more eager than clearly not going to have a Happy American business leaders, most of clearly not going to have a Happy American business leaders, most of New Year. By his recognition of them Republican, to do business Communist China, he has guaranwith China, the largest potential

SALT Support

Carter will have a harder time Treaty, expected to be signed soon with the Soviet Union. He does not of two-thirds of the Senate for a strategic arms treaty and be clearly

Yet even on this emotional issue it will not be easy and may be pohtically dangerous to vote against the president's effort to slow the arms His problem is that he will be

does not have such support now.

fighting so many major battles at the same time through the rest of his term in office that all the special interest groups may combine against him. But he has chosen his issues rather shrewdly.

Those who oppose his anti-infla-tion policies, his China policy, his arms-control policy, and his Mid-dle East policy oppose him with a vengeance, but they are minorities and are not likely to be able to form coalitions large enough to de-

For Big Labor may try to block him on the budget and even on SALT, but it is not likely to oppose him on China, especially since the key U.S. figure in the "recognition" negotiations was Leonard Wood-cock, former head of the United Auto Workers union.

Even his long and often acrimental nious debate with Prime Minister. Begin of Israel, now more biffe: than ever, is not likely to influence many votes on other and separa. issues. By his protracted efforts bring about a compromise in danger of infuriating both under the danger of infuriation danger of in Jews and the Arabs, but the moch of Congress has now turned in k. [, favor and against the position and

the Begin government. Determined

In short, Carter will certainly Tr In short, Carter will certainly the target of bitter — probably cious — opposition from the biogramized lobbies in the nation. he is emerging at the halfway may
of his term as a determined pre
dent who is willing to challenge t
assumptions of the past even if the means breaking with powerful by

what he has lost with the lobb he has probably gained, and mo ", in popular support. He may be cut many of his friends, but help probably increased his influence. both at home and abroad.

The International Herald It bune welcomes letters from rea ers. Short letters have a bett chance of being published All is ters are subject to condensatit for space reasons, Anonym letters will not be considered publication. Writers may reque that their letters be signed an with initials but preference will be given to those fully signed to bearing the writer's complete

ocaring the writer's comple address. The Herald Triba cannot acknowledge letters se

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tions, and not thinking so much. Well, we must on the contrary countless numbers have been benefited when the thought was worth

In the International Edition

Seventy-Five Years Ago December 18, 1903

NEW YORK - The New York Herald commented in an editorial: "Now that doctors have discovered that the brain can get tired just like any other bodily organ, we expect certain people to say that they are right in following their emonot blame the poor brain for everything, even for too deep thought. No one has been known to have been hurt by thinking too profoundly except for a certain classs of politicians - while Fifty Years Ago December 18, 1928

LONDON - With all direct communications with Kabul, capital of Afghanistan, cut off, reports coming from the beleaguered city indicate an increasing intensity in the uprising against King Amanaullah, which is endangering his life and the lives of foreign residents. The rebels, who are protesting the king's Western innovations in this remote kingdom, have forced the king and queen in take refuge in a fort in Kabul. The rebeis also have surrounded several outposts of loyal governmental troops. All negotiations have ended as the revolution engenders its own About the "Richard Nixon show"

on French TV (Nov. 28), I'd appreciate it if you would publish the opinion of a Frenchman who has spent a lot of time studying the United States and American affairs in the last few years, since it ap-

(i) That Armand Jammot and his team were intent on rehabilitating the former president. Also, I guess there are many lovers of statistics who would be as interest-ed as I in finding out in what proportions the "show" has boosted the sales of the French edition of Nixon's memoirs;

(2) That asserting that more than 80 percent of the French people are full of admiration for this so-called Quaker could be the best joke of the year if it were not insulting to the American people, who condemned him almost unanimously. (I am no admirer of the WASPs or of the Establishment, but it takes guts to accuse them of conspiracy against Nixon.)

who called to say Richard Nixon was one of the best — if not the best — president the United States ever had, how many could name more than 5 of the 39? Isn't it strange that the phone number viewers had to call was

Out of the hundreds of people

tomary. Hundreds of people like me — who are not regular viewers of "Les Dossiers de l'Ecran" were unable to put their questions through. So, here is the nne I would have liked to ask Mr. Nixon: "What is the total amount of your royalties for your memoirs so far, and what percentage of it do you intend to donate in order to alleviate the misery of Vietnamese refugees all over the world?"

never given on the screen, as is cus-

JOSEPH TOURNAIRE. Nantes, France.

Infiltration

It is incomprehensible how the writer of your editorial urging ad-mission of all Cuban regurees without screening could be so naive. It is perfectly obvious and to be ex-pected that Castro will try to infiltrate the refugees with spies. A very few will get in no matter how thorough is the screening. Attorney General Bell is conscientionally doing his duty in preventing as many spice as possible from entering the United States. H. G. HOLCOMBE.

Colonel, Retired. Intelligence Service Army of the United States. St. Croix, Virgin Islands.

Jey 100 50

CIA Ties to Shah Blamed For Intelligence Failure

- The Central Intelligence Agen-cy's long and close ties to the Shah of Iran and his intelligence service effectively prevented the agency from giving the White House a clear warning that public unrest posed a major threat for the shah and for U.S. policy.

That conclusion emerges from a series of interviews with officials and analysts of the U.S. intelligence community, which has been shaken severely by White House chitics of its performance in Iran criticism of its performance in Iran. Some of these officials also have been interviewed by House and Senate staff investigators, who are preparing reports on this intelli-

Warnings originating in the State Department that the shah faced ris-ing and dangerous popular opposi-tion last summer were kept out of a draft national intelligence estimate because CIA and Defense Department analysts strongly disagreed with that view, congressional inves-rigators bave been told.

A CIA official said yesterday that CIA Director Stansfield Turner had returned the draft estimate on Iran to its agency authors twice "because he didn't think it was good enough." But the official was unable to say if Adm. Turner's objections involved the report's highly optimistic view of the shah's hold on power.

Other knowledgeable sources said that Adm. Turner had sent the now controversial estimate back for more information on military and other matters, but there were no clear indications at the time that he was unhappy with the political

reporting.
The bureaucratic wrangling over the estimate, which was overtaken by the explosion of unrest in the streets of Tehran in September, is only part of a much broader problem the CIA faces in trying to work in a country where it has an enor-mous investment in maintaining an autocratic ruler that it helped put

in power.

If we wanted information on the opposition leaders and on the military in Iran, we should have it into an unfriendly country," said one exasperated analyst. "Then we would have targeted them and developed sources. But we can't do much with opaque re-gimes headed by friendly authori-

The political opposition and officer corps have been off-limits for years to the 50 to 75 agents the CIA maintains in Iran. The agency's professional intelligence on domestic Iranian developments has had to come largely from the shah's own secret police, SAVAK, which hardly could be expected to report that the sbah was in trouble.

"If we had tried to penetrate the opposition, we would have been caught immediately by SAVAK," a CIA official said. "Iran is an ally. In England, we would not try to penetrate the opposition."

vert operations to shore up or move aside agency allies who suddenly had become liabilities in their own

countries. Ngo Dinh Diem, the South Vietnamese dictator assassinated by his own troops in 1963 after President John Kennedy let his lack of confidence in Diem be known, is con-jured up by U.S. policymakers who argue that the United States would

By Jim Hoagland WASHINGTON, Dec. 17 (WP) touch off disastrous turmoil hy doing or saving anything to under-cut Shah Mohammed Reza Pahlavi

in a moment of crisis.

State Department officials argue that the real dangers lie in not disengaging faster. They raise the specters of Libya or Ethiopia, where radicals have swing sharply against the United States after overthrowing regimes with which the CIA had strong ries.

In any case, Iran is already a multilevel failure that is likely to haunt the agency for years. The agency has been deeply implanted in Iran since 1953, when Kermit Roosevelt and fewer than 30 U.S. and Iranian agents were able to mount an operation that brought down the leftist government of Mohammed Mossadegh and put the shah back on the throne.

The entire operation cost less than \$1 million, which the sbah insisted on paying back, according to agency folklore. It is unclear that agency folklore. It is unclear that today the agency could produce anything approaching these results for any sum even if it were "unleashed."

While bonoring the shah's wisbes that they totally ignore Iranian developments, CIA personnel have been given free rein in authoring in

been given free rein in gathering in-telligence about the Soviet Union from Iran. The shah permits the United States to operate some of the world's most sophisticated listening and radar equipment on the Soviet border.

The fate of that equipment, should the shah fall suddenly, before it could be relocated, is a maworry for Carter-administration

planners. "The agency was absolutely ac-curate in its reporting throughout the year that the small radical terror groups represented no threat to the shah," said one U.S. intelli-gence official. "But those were the only opposition groups the agency was reporting on. There was zero in their analysis about the rightist Moslem opposition that was the real threat."

Urgent Request

This trend continued even as unrest intensified, and the White House sent an urgent request that a new national intelligence estimate thoritative summary prepared on request and jointly by the CIA. State, Defense, Treasury and other

argued that the opposition repre- put back on the track. sented a serious threat to the shah draft by CIA and Defense analysts, who insisted that the report should conclude that while some unrest would continue, the sbah's bold on power was completely secure.

Hovering in the corners of the excluded the dissent the State De- into swallowing medicine. sharpening disputes over the Iran failure and U.S. choices for the future are ghosts from an era when the CIA quickly could mount cofor rewriting twice, the public demonstrations against the shah es-calated dramatically and "Iran became a day-to-day problem for us," a CIA official said. The estimate was shelved in October.

Portions of the first draft were published after a note from President Carter expressing unhappiness with intelligence reporting on Iran

U.S. Trying to Mediate **Among Factions in Iran**

By Richard Burt

WASHINGTON, Dec. 17 (NYT)

— The United States has assumed the delicate role of a mediator that Mr. Ball's recommendations among the contending factions in the crisis in Iran, with the Carter administration prodding Shah Mohammed Reza Pahlavi to replace his military government with a broad-based, civilian coalition.

The administration's new policy. as described by White House and State Department officials, is to step up its contacts with both the shah's political opponents and the Iranian military, while still maintaining close links with the shah.

The administration's efforts to

end military rule in Iran stands in contrast to the White House's public position, which is not to interfere in internal Iranian politics. The efforts also represent a departure from previous administration policy, which has been to back the shah in whatever political course he

The purpose of the administracials, is not to ease the shah out of power, but to assist him in working out a formula that would allow him to keep some degree of control over the military while attracting seg-ments of the opposition into a coa-

"We are not acting as power-brokers," said one official closely involved with the crisis, "but we

have begun to carry messages and urge various compromises.

The strategy of attempting to find a workable alternative to confind a workable alternative to continuous tinued military rule is in tune with a recently completed interagency study beaded by George Ball, which is said to have argued that the sbah would be unable to survive the present turmoil unless he took steps to dilute his power and backed a civilian government that would have wide political support. Although the shah's major critics

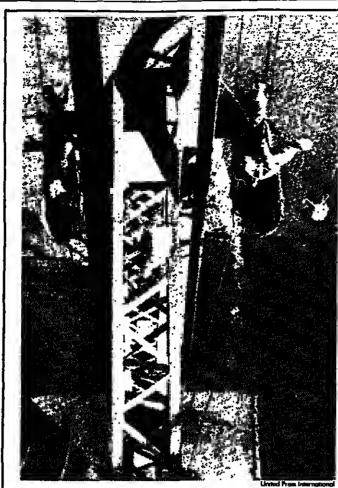
In an interview Friday, Mr. Ball, who was undersecretary of state in the 1960s, confirmed that the administration is now seeking the return of civilian rule in Iran. Howev-

er, he said that this position did not reflect a weakening of U.S. support for the shah. Mr. Ball denied reports that his support for ending military rule in Iran ran counter to the advice given to President Carter by Zbigniew

Brzezinski, the White House na-tional security adviser. "Everyone backs the idea of civilian rule," Mr. Officials said that tentative efforts by the administration to play a mediating role in Iran had been enhanced by the willingness of sev-

enhanced by the willingness of several opposition groups to communicate with U.S. officials. "I think they recognize that regardless of what happens, the United States will be a crucial country for any future Iranian government," said one. The sbah, who bas been described as resisting U.S. advice, is also said to be more open to I.S. species. to he more open to U.S. sugges-

According to officials, William Sullivan, the U.S. ambassador in Tehran, has resisted efforts to engage in discussions with elements of the opposition over the possible shape of a new government, but that he had been ordered to do so. To carry on these discussions, addi-tional State Department officers have been sent to Iran in recent days and they bave been sending back eables which bave been used by the White House in making suggestions to the shah.



LOFTY JOB - Painters work on supports of New York's Queensboro Bridge perched 300 feet above the East River.

News Analysis

Washington Counterpoint Undercut Vance's Shuttle

By John M. Goshko

Negotiating Spur

United States also likes the idea of

a West Bank-Gaza timetable be-

really faced up to the need to grant

Egypt, the sources said, Washing-

ton believes that Israel would be

under greater pressure to negotiate

the Palestinian issue quickly and in

However, Israel has resisted both

Egyptian demands. On the Pales-

tinian timetable question, the Israelis argue that the Camp David accords call for that issue to be

negotiated separately and that Egyptian demands for linking it

violate the accords and give Egypt a potential pretext for abrogating

the peace treaty if the timetable is

not met.
The Israelis apply the same ob-

jection to the dispute about the treaty's precedence. In the Israeli

view, any suggestion that Egypt is

not bound to remain at peace with

Israel even in the event of an Israeli dispute with another Arah country

would make the treaty meaningless. In an effort to overcome these Is-

raeli objections, Mr. Vance began

his shuttle by spending three days in Cairo negotiating with Mr. Sadat to find ways of making the Eygptian demands more acceptable to Mr. Begin, Ultimately, they agreed

on some U.S. suggestions for sof-

These included a proposal to ex-

press the timetable on Palestinian

autonomy in terms of nonbinding target dates rather than fixed dead-

On the question of the treaty's

tening the Egyptian positions.

good faith.

In addition, the sources said, the

WASHINGTON, Dec. 17 (WP) larger Arab interests to make a sep-— When Secretary of State Cyrus arate peace with Israel. In particu-Vance undertook his Middle East lar, the sources added, these issues mediating mission last week, he is are important to win support for known to have done so with reluctive the treaty from Saudi Arabia. tance and a feeling that he had only an outside chance of success.

Mr. Vance was keenly aware of the magnitude of the obstacles blocking a peace treaty between Egypt and Israel. But the record of five-day shuttle effort suggests that the Carter administration, in on Iran already in progress be its handling of a high-risk diploaccelerated. The estimate is an aumatic situation, managed to make thoritative summary prepared on Mr. Vance's task all but impossible.

As a result, Mr. Vance failed to break the deadlock in the negotiadepartments.

Adm. Turner appointed one of his intelligence officers to bead the secret Iran project, which quickly produced a sharp and divisive distalks so snarled that no one can State Department analysts, who predict when and how they can be

sented a serious threat to the shah were overruled in the writing of the sumption that the situation required difficult and painful concessions from Israel. He first attempted to put them in as palatable a form as possible and then urged ower was completely secure.

The draft as sent to Adm. Turner of a doctor trying to coax a child

Yet, in an almost inexplicable counterpoint to Mr. Vance's conciliatory approach, events unfolded in Washington that had the effect of undercutting his efforts.

First, Senate Majority Leader Robert Byrd, D-W.Va., walked out of a meeting with President Carter to warn that future U.S. aid to Israel could be affected by Israeli poli-cy on the question of establishing new settlements on the Israeli-occupied West Bank.

Then, Mr. Carter, in public remarks that were echoed by other White House officials, praised Egyptian President Anwar Sadat, while pointedly hinting, through his failure to mention Israeli Prime Minister Manachen Period Egyptian President Anwar Sadat, while pointedly hinting, through his failure to mention Israeli Prime Minister Menachem Begin, that Washington was becoming impatient with Israel's failure to make concessions.

In terms of what Mr. Vance was trying to do in Jerusalem, the tim-ing could not bave been worse. It insured that the Israeli Cabinet would reject the proposals brought by Mr. Vance.

In fact, the Cabinet went even further, appending to its rejection a slam at "the attitude and interpre-tation of the United States govern-ment." By the time Mr. Vance returned home, Israeli leaders were charging that the United States had tilted openly toward Egypt and was no longer an impartial mediator.

U.S. Irritation Grows

The result has been a mute, but unmistakable, countering wave of irritation toward Israel by U.S. officials that includes charges about the Begin government deliberately misrepresenting Mr. Vance's pro-posals. In the midst of the recriminations, U.S. sources in Mr. Vance's party seemed unable to explain why Washington behaved with what some privately concede

questions.

ington.

Police in S. Africa

was clumsiness.
The sources admit that Mr. Vance went to Israel with a posi-tion that could be described as filt-ed toward Mr. Sadat's on the two one involves Egypt's demand that the treaty be accompanied by a timetable for separate negotiations on establishing Palestinian autonomy in the West Bank and Gaza Strip areas

Gaza Strip areas.

The other concerns Egypt's reluctance to accept an article in the draft treaty accepted by Israel that would give the accord precedence over Egypt's other treaties, includ-

draft treaty accepted by Israel that would give the accord precedence over Egypt's other treates, including its mutual defense pacts with other Arab states.

In approaching these issues, the sources said, the United States concluded that Egypt required assistant of East London.

The track was cut by an exploration procedure and delaying three particles. ance on both demands to protect it sion vesterday, delaying three pasfrom charges that it is ignoring senger trains eight hours.

Obituaries

Chill Wills, Veteran Actor in Westerns

hundreds of Westerns and other movies and who was the voice of Francis, the talking mule of the comedy series, died Friday at his home in Encino, Calif. He had

been suffering from cancer.

Mr. Wills left the Motion Picture and Television Hospital earlier in the day to return home. Friends reported that be died in his sleep. Mr. Wills began his career in the late 1930s in "Lawless Valley."

NEW YORK, Dec. 17 (NYT) — film that included Clark Gable, Chill Wills, 76, the raspy-voiced character actor who appeared in the character actor who appeared in the children of the children o

and Hedy Lamarr, Mr. Wills was a standout.

In addition to the "Francis" films, he appeared in featured roles in "The Westerner." "Western Union." "See Here. Private Hargrove," "The Yearling," "The Sundowners," "Tarzan's New York Adventure," "Giant," "From Hell to Texas," "The Alamo" and even musicals such as "Meet Me In St. musicals such as "Meet Me In St. Louis" and "The Harvey Girls." The 1930s, 1940s and the 1950s.

Two years later as the tall, lanky deputy sheriff in "Boom Town," a Mr. Wills appeared in movies with

Egypt Said to Anticipate U.S. Push to Renew Talks

By Christopher S. Wren

sidelines of the current rift between Israel and the United States, confident that the Carter administration will undertake some new initiative early next year.

Egyptian officials anticipated vesterday that the deadlock would continue for several weeks before the United States made a fresb attempt to persuade Prime Minister Menachem Begin to reconsider the proposals that his Cabinet rejected

One senior Egyptian diplomat suggested that the latest difficulties would strengthen President Anwar Sadat's position with other Arab states, because they demonstrated that be was serious about tying an Israeli-Egyptian peace treaty to Palestinian self-rule in the occupied West Bank and Gaza.

The fact that Sadat is fighting for linkage will regain some of his lost credibility." said the diplomat, who boped that the latest developments might give moderate Arabs an excuse to back off from their support of the Arab hard-line faction at the Baghdad summit conference last month. ence last month.

Cairo was clearly not displeased with the differences that are being aired between Washington and

Turkish Air Office cause it feels the Israelis have not Bombed in Geneva Palestinian autonomy. By linking the timetable to the treaty with

GENEVA. Dec. 17 (UPI) -- A bomb exploison blew in the door and windows of the Turkish airlines office bere today. No one was injured.

A group calling itself the "Armenian Secret Army for the Liberation of Armenia" claimed responsibility for the bombing. It telephoned news media just before the device exploded.

CAIRO, Dec. 17 (NYT) — Egypt Jerusalem. But Mr. Sadat has appears content to remain on the avoided comment. According to avoided comment. According to one Cairo-based source, Secretary of State Cyrus Vance had counseled restraint when be stopped here Thursday night on his way home from Israel. Mr. Sadat was understood to be waiting to see

what the United States does next. Acting Foreign Minister Butros Ghali, in an interview published yesterday in the weekly magazine October, stressed that "the negotiations have not broken down. The road is still open. What bappened is that some new obstacles have appeared and we bave to overcome them." He said that Israel does not appreciate Egypt's obligations to the Arab world or understand Pal-

estinian needs. The lack of apprehension in Cairo is due to a general assump-tion that the Carter administration, as a "full partner" in the efforts to conclude a peace treaty, will find a way out of the impasse. The Cairo newspaper Al Gomhouria yester-day quoted official Egyptian sourc-es as saying that the Carter administration had these options: Another trip to the Middle

East by Mr. Vance next month.

• An invitation to fresb negotiations in Washington or some Middle Eastern capital that would supersede the suspended peace treaty talks.

 A proposal from President Carter for a new tripartite summit meeting like Camp David. The Egyptians also have under-

taken another diplomatic offensive to rally support in the region. Vice President Hosny Mubarak last week made short trips to Sudan and Oman, two states that have supported the peace moves, Mr. Sa-dat dispatched a letter to Saudi Arabia. And Mr. Ghali has briefed Arab and African ambassadors in Cairo on Egypt's position.

the brightest stars: Walter Pidgeon, Waliace Beery, Gary Cooper, Rob-ert Taylor, Lucille Ball, Charles Laughton, Joseph Cotten, Shirley Temple, Angela Lansbury, Gregory Peck, John Wayne and others.

Low-Budget Success

Mr. Wills achieved fame as the wry, disenchanted voice of the talk-ing mule. The low-budget motion pictures that began with "Francis" in 1949 were highly successful. Mr. Wills was given a script, but by the third or fourth "Francis" film, more than one-third of what the mule said was Mr. Wills' own specific.

Chill Theodore Wills was horn in Seagoville, Texas. Chill was his real

name.

Mr. Wills was, as be said, "brung up" in medicine shows, minstrels, tent shows, burlesque, vandeville and nightclubs. He joined a professional singing group in Burkeburnett, Texas, the community of "Boom Town," and later began to spice his singing act with monospice his singing act with mono-logues. Then he moved on to acting stock companies in the Middle

"Vaudeville houses began closing so fast," he said later, "I got afraid I'd get locked in one, so I left that and went into nightclubs." In one club, the Trocadero, in Hollywood, he was seen by a movie executive and offered a screen test and then a

When they learned he was from Texas, he was told, "Any flesh from Texas, he was told, Any hean from Texas is a cowboy," and he was a Western standard from then on. Mr. Wills also appeared in two television series, "Frontier Circus" in 1961 and "The Rounders" in

1967. He owned several business enterprises, including a chain of restaurants and a chili manufacturing business

J. Fred Buzhardt HILTON HEAD ISLAND, S.C.,

Dec. 17 (UPI) — J. Fred Buzhardt, 55, who managed most of former President Richard Nixon's Watergate defense, died yesterday of a eart attack.

Mr. Buzhardt was stricken about

14 Children Injured In Israel Explosion

JERUSALEM, Dec. 17 (AP) -Fourteen elementary-school children were injured today when a barrel of tar exploded in a Jerusalem schoolyard. Israeli radio said the explosion came after the tar caught fire while workmen heat-

Five of the children were bospitalized in fair condition with sec-ond- and third-degree burns to their hands and faces.



Chill Wills

9 a.m. at his home on Hilton Head Island, a resort community near Savannah, Ga. Mr. Buzhardt suffered a mild

heart attack before the Watergate issue was resolved and turned de-fense duties over to James St. Clair, Boston attorney.

Mr. Buzhardt, a native of McCormick, S.C., and a graduate of West Point, was in public service for more than 20 years and during that time termed as an idea to Service. that time served as an aide to Sen. Strom Thurmond, R-S.C.. and as chief aide to former Defense Secre-tary Melvin Laird.

Cardinal Joseph Frings

COLOGNE, Dec. 17 (AP) -Cologne, Dec. 17 (AP) —
Cardinal Joseph Frings, 91, archisbop of Cologne from 1942 to 1969, died here of heart failure today, his office said.
Cardinal Frings and Konrad Adenauer, West Germany's first phonestiller was the desired for

chancellor, were the dominant fig-ures in the public life of the city for decades. Their relationship re-mained close until Adenauer's

death in 1967.

Cardinal Frings was born in nearby Neuss on Feb. 6, 1887. He studied theology at the University of Innsbruck and continued his studies at Freiburg and Bonn before be was ordained in the Cologne suburb of Zollstock.

He succeeded Cardinal Joseph

He succeeded Cardinal Joseph Schulte as archbisbop of Cologne on May 12, 1942. In 1946, he was

made a cardinal,
Cardinal Frings, an ardent andCommunist, caused controversy
with a speech in 1948 in which be demanded that denazification by the Allied governments should cease. But although be was strongly criticized for this, his welfare work was recognized in Rome and he was called upon to take charge of

aiding Germany's refugees. In November, 1948, Cardinal Frings joined Adenauer's Christian Democratic Party, a step he had to reverse in May of the following year because Article 32 of the concordat between state and church calls on all German priests to re-frain from joining political parties.

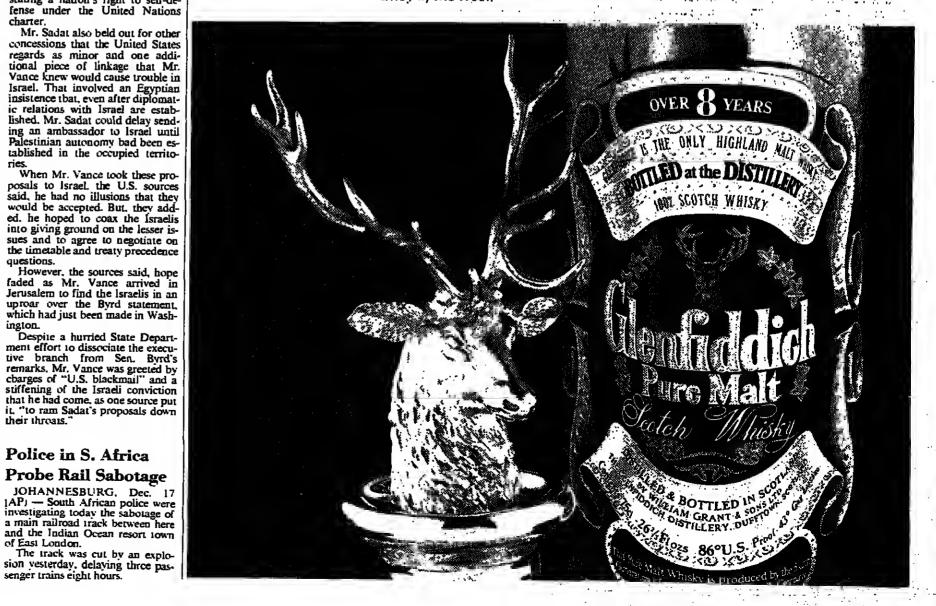
There's only one way to take Glenfiddich.

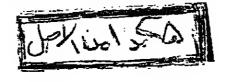
Seriously.

You can take it straight. Or with a little plain water. But do remember that you're tasting no ordinary Scotch.

Glenfiddich is a pure, single malt. Distilled in the ancient way, in traditional handbeaten copper stills. The result is, perhaps the finest whisky the Highlands have to offer. Take it slowly. Take it seriously.

'Glenfiddich' in Gaelie means 'Valley of the Deer,'





TVA 7:87
TVA 7:87
TVA 7:87
TVA 7:857
TV 7:3587
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TVA 7:467
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TV 8:358 (Continued on Page 9) **NYSE Averages**

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All of these securities having been sold, this annotancement appears as a matter of record only

\$75,000,000



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Bache Halsey Stuart Shields Donaldson, Lufkin & Jenrette

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The Economy

Growth Prospects Judged To Be 'More Than Fair'

SINGAPORE (IHT) — When Prime Minister Lee Kuan Yew characterized growth prospects for the next five years as "more than fair" in his national message in Angust, it appeared that at long last Singapore's leaders had started to believe in the economic miracle vestment site, on the basis of its skilled and disciplined work force wrought here in the 13 years since and its highly developed transpor-

Few could question their confidence. The gross domestic product for 1978 looks almost certain to achieve a solid 8-percent rate of growth over the previous year. Foreign investment commitments for the first half of the year exceeded the 1977 total. Inflation was kept at a manageable annual rate of 5 perrent, and the danger of any signifi-The cant increase is so slight as to be almost nonexistent.

The government and business leaders alike share the view that the NAME: Singapore economy has weathered very well and that the promise for the future is bright. Singapore may 'no longer be Asia's economic wonder, they concede, but it has proven word that it can cope with the adversity without the worldwide economic dislocation is and compete successfully with the successfully succe

Exports

ार्थ का क्रिक्स का निक्र

Most of that competition comes SF Arrain related areas of attracting forproperty. In a recent speech before the 26th World Congress of the International Chamber of Commerce in Florida, Mr. Lee stated bluntly as a that the leading role of multinawithout corporations in Singapore un suchad been a key to its economic suctenestation pess. But he warned that unless the we expresent trend towards protectionism in the industrialized countries was checked, his own country could

For the forsecable future, Singa-

middle of the barbor.

kien overseas Chinese.

By Peter Weintraub pore's attractiveness to foreign investors appears likely to remain an object of envy for other developing countries in the region. A recent survey by Business Interna-tional of New York placed this city-state first worldwide as an in-

> tation and communications infras-The export picture is clouded. Rising protectionism in major mar-kets such as the United States and the European Economic Community has forced Singapore to swing away from the manufacture of traditional textile and light industrial goods. As a result, the power-ful Economic Development Board adopted a strategy of encouraging foreign investment only in the areas of high technology still free from

> tariff restrictions. Partially as a result of such restrictions, Singapore's trade deficit continues to mount in 1978. For the first two-thirds of the year, the trade balance was some \$4 billion (nearly U.S.\$2 billion) in the red, compared to \$3 billion for the same period in 1977. Some of the gap was prompted by the rising value of the yen, which made imports from Japan more expensive, and a decline in traditional exports of such Malaysian goods as rubber prodncts and palm oil.

Japan passed Malaysia and the United States in 1977 to become Singapore's leading trade partner. and it retained that position in the first months of 1978. Like many developing countries in East and Southeast Asia, Singapore looked toward West Asia as a rapidly expanding market for its manufac- countries of Asia have now tured exports and, at the same time, made fresh efforts to cultivate markets in India.

Invisible payments brought al-most \$5 billion into the national (Continued on Page 2)

PARIS, DECEMBER, 1978

Singapore — 1978

A Functioning Democracy Ruled by One Man

By Harold Ellithorpe

SINGAPORE (IHT) — This nation is a fully functioning democracy, a somewhat rare creation in Asia. It has a freely — and fairly — elected Parliament, a government untainted by corruption, rule by law through an independent judiciary and freedom of speech, press and religion. Yet it is a strangely repressive state where 75 percent of the voters handed every seat in Parliament to a party admittedly dominated by one man.

Political life in Singapore begins and ends with Prime Minister Lee Kuan Yew. As one wag put it, "Singapore is a benevolent democracy ruled by a dictatorial liberal."

In the December, 1976, elections, Mr. Lee's People's Action Party (PAP) won all of the 69 parliamentary seats. For the fifth time, PAP was returned with overwhelming popular support. Five opposing parties and two independents failed to score even a protest vote of significance.

Mr. Lee's popularity at the polls is strange, for nearly every Singa-porean one talks in in private admits that the prime minister is a leader more feared than loved. He is returned at the polls not for his political fearsomeness, but because of what he has achieved for the average citizen. Mr. Lee's achievements are evident to everyone in Singapore. Each citizen's share of the small city-state's prosperity has risen since Mr. Lee took over in 1960.

Mare than 60 percent of the people live in spacious government housing estates that are models of public housing in Asia. Real wages have risen substantially, second in Asia only to Japan. The economy has expanded at a steady clip -- 7.8 percent last year in real terms. Education is universal. Social services are the best in Asia. Streets are clean, crime is controlled, officials and policemen are honest.

More importantly, multi-racial Singapore enjoys political and commu-

The prime minister himself dates the start of Singapore's political matu-

SINGAPORE (IHT) — Singa-pore is a nation caught in the competition among Communist can imperialism and now seems

At present, that competition is

much to Singapore's liking. Feud-ing and intrigue among Vietnam, Cambodia, China and the Soviet

Union have given the Association

of Southeast Asian Nations

(ASEAN) room to maneuver. As

one well-placed source pnt it, "the collapse of Communist unity has

given us a period of time - per-

haps five, maybe even ten years -

in which to strengthen our own

In addition, the Communist

switched from the role of Cold War

adversaries to ardent suitors of

of Southeast Asia came from the

Soviet Union, which in September

The latest twist in the romancing

[ASEAN] unity and develop

countries

ASEAN.

willing to treat the five-member re-

gional group as an important entity

to be dealt with on somewhat equal

Generous Gestures

Soviet Deputy Foreign Minister Nikolai Firyubin recently slipped

into Singapore unobtrusively to drop hints of Moscow's new appre-

ciation of the ASEAN states. Un-

like the highly publicized visit of

Dong a week earlier, Mr. Firyubin

hardly was visible: No press con-ferences, banquets, speeches, wel-coming review. Diplomats in Singa-

pore are not certain that Prime Minister Lee Kwan Yew met the

Why had he come to Southeast

ment bankers, Merrill Lynch and Credit Suisse-First Boston.

have meanwhile catalyzed a dra-

matic boom in Singapore's foreign

exchange business in the past cou-

ple of years. MAS figures indicate a

near 40-percent jump in exchange turnover this year to almost U.S.\$2

billion a day. Allowing for double

counting, a more realistic estimate

would be about \$1.25 billion daily,

compared with a daily average of about \$340 million just four years

Geography, which played the crucial part in Singapore's mercan-tile development, has also been cru-

cial in its growth as a foreign ex-

Poised between the U.S. West

change and dollar-deposit market.

the East and Europe to the West,

Singapore and Hong Kong have become the places where yen posi-

tions are reinforced or unwound af-

ter the Tokyo close and where

quick-witted European bankers steal a march on their rivals before

Foreign Exchange

One third of Singapore's foreign-

exchange business is done in U.S.

dollar/yen and another third in

U.S. dnllar/Deutsche marks.

Hammering home the offshore na-

ture of the market, MAS figures for

last year showed only 15 percent of

the sun rises in Frankfurt.

ago, exchange dealers say.

The U.S. dollar's erratic fortunes

Soviet envoy.

...a nation that has been created in his mind's eye...

> Prime Minister Lee Kuan Yew

on bow well his Vietnamese friends

are doing," said one official. The Soviet diplomat was also making

generous gestures to ASEAN mem-

bers in expanded trade and aid. For

Singapore, this is oot a small item.
More than 1,000 Russian ships
called last year at Singapore, and
the republie's ship repair yards
have been kept busy with Soviet

However, Mr. Firyubin may

have sought an invitation Singa-

pore did oot want to be asked to

give — that a Soviet naval flotilla be allowed to make a friendly call.

pass though the Straits of Malacca

en route to and from Indian Ocean

stations, the growing Soviet Pacific

fleet has not paid an official port

call. "They would love to show the flag bere," commented a Singa-

caution and overzealous regulation

on the part of the authorities for

imbalances in the system, such as

the relatively weak development of

forward-exchange trading. MAS is

also held responsible by some bankers for seemingly endless pro-

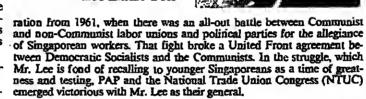
crastinations on the formation of a

The Communist Suitors of ASEAN

orders.

porean.

y had he come to Southeast
"He just wanted to check up the implications of any additional



Communist influence in Singapore was destroyed and remains destroyed by the winners of that battle. Today, several dozen detamees languish in Changi prison, held under detention-without-trial laws. The government does not reveal the exact numbers under such deten-

tion, but estimates run from "around 30" to "somewhat over 70." A few have been jailed without trial for more than 12 years, a fact that led Amnesty International to issue a blistering report on Singapore's detention system in February, 1976.

The government claims that detainees merely have to foreswear the use of violence and attempts to overthrow the elected government in order to be freed. Indeed, persons who have made such declarations have been freed, given responsible jobs and have even formed their own association. which strongly supports Mr. Lee.

Most detainees are alleged Communists or members of Chinese secret societies with suspected international eriminal connections. Their detention stands as a warning to outsiders such as members of the Communist Party of Malaya (CPM) or syndicate hoodlunts from Hong Kong and Bangkok to stay out of Singapore.

Internally

Internally, Mr. Lee rules by different forces,
The core of his political power is PAP, a highly organized political
institution. It operates through a variety of organisms, including domi-

In each of Singapore's 69 electoral districts, a Citizens' Consultive Committee has been created as a statutory link between citizens and their government. In each, a civil servant is assigned as ex-officio secretary who reports directly to the prime minister's office.

In each neighborhood, there are community centers operated by the People's Association, a government board created 18 years ago to promote community-betterment programs. The management committees of the 166 such centers are dominated by PAP members of Parliament and other PAP followers.

Thus, Mr. Lee's political arms reach down to the smallest neighborhood, touching directly the lives of nearly every one of Singapore's 2.3

Through PAP, members of Parliament, community centers and consulfive committees, the prime minister has a constant feedback of information and in turn is able to exert his power down to the grass roots in

By contrast, his major political opposition - the Barisan Socialis and the Workers' Party — bave almost no reliable grass-roots organizations. "People compare Lee Kuan Yew with Mussolini because, like the Italian dictator, he makes the economy work. But a better comparison is to Mayor Daley of Chicago," remarked a foreign resident.

Intellectual

But Singapore's prime minister is more than a mere adroit city political boss. He is a visionary intellectual determined to forge a new nation out of what was once a colonial coaling station.

Singapore did not exist in anyone's mind as a "nation" until Mr. Lee, out of necessity, created it in his mind's eye. That came in 1965, when Singapore was tossed rather rudely out of the Federation of Malaysia by suspicious Malays who feared Singapore's

hard-working Chinese majority — and Mr. Lee — would dominate their new country coalesced out of the disparate former British colonies of Southeast Asia While the British had agreed in the 1950s that Singapore could become

a self-governing state on its own, the concept of a Malaysian federation seemed to make better sense. The seapon of Singapore — comprising slightly more than 525 square miles of land — would then be politically attached to its logical hinterland of Malaya and the neighboring members of the federation. The patch job lasted two years. When Singapore was out of the federation, Mr. Lee determined to give

it a new political form. In the 13 years since, he has spelled out his dream of a new, multi-racial, fiercely independent city-state: This city-state would develop its own culture, derived from the Asian heritages originally brought by Chinese, Indian and Malay immigrants in this eclonial sea base during the past century and a half.

Speaking this summer at a national day rally, the prime minister revealed that be had nearly become "deculturized" as a Chinese youth educated in the English language and in British schools. "I may speak the English language better than I speak the Chinese language." he said, "because I learned English early in life. But I'll never be an Englishman in thousand generations and I have not got the Western value system inside; it's an Eastern value system."

He even noted that be had carefully watched photographs of his own children while they were away at university in Britain to see whether they took to current Western fads, which be described as long hair, dirty jeans, bare feet and T-shirts, "with strange slogans printed on them."

He was paternally — and patriotically — proud when photos mailed to him revealed suitably short-cropped hair styles. The lesson for Singapore's youth was clear: Hew to a puritanically clean image of "Singapore-ness." (Continued on Page 3)

proposed Singapore gold futures exchange, which has finally crept into action after four years of that Southeast Asia must shake off grinding delays.

MAS officials say Singapore its American mantle before it has "genuine independence." Nonethe-

semantics."

hardly looks over-regulated com-

(Continued on Page 4)

Soviet presence: implied support

for Vietnam versus Cambodia and

In close cooperation with other

ASEAN leaders, Mr. Lee has so far

followed a very neutral policy on the squabbling of its northern Communist neighbors, and that

Despite disclaimers that ASEAN

has any military agreements, the non-Communist alliance still

prefers the protection of the Ameri-

can umbrella. Observers hope

ASEAN can remain primarily a po-litical and economic alliance rather

iban de forced to take a military

stance on its own or to become a

NATO-like adjunct of the Ameri-

'Zone of Peace'

Close political coordination

emong the five nations (Singapore,

Thailand, Malaysia, Indonesia and

the Philippines) has proved suffi-cient to force the feuding Commu-

nist powers to treat ASEAN de-

mands seriously. The crux of these

demands is that Southeast Asia be-

come a Zone of Peace, Freedom

and Neutrality, popularly known as

Zopfan, Vietnamese Premier Dong

seemed to agree during a series of rapid-fire visits to ASEAN capitals

this autumn. He said he wanted the

region to be a "zone of peace, genu-

in wording, Mr. Dong told news-men that "it's just a question of

Most ASEAN officials under-

stand that the Vietnamese mean

Questioned about the difference

ine independence and neutrality."

a slap in the face for China,

policy is likely to continue.

(Continued on Page 2) **World's Third Largest Oil Refinery Center**

Oil refining is Singapore's biggest

industry despite the fact that there is

not a single oil well here. The indus-

try is concerned mainly with refin-

ing, transportation and distribution.

ByJ.D. Indran

SINGAPORE (IHT) — Singapore is now the third largest oil refinery center in the world, after Rotterdam and Houston, with a total capacity of more than one mil-lion barrels of crude oil per day. Oil refining is Singapore's biggest in-dustry despite the fact that there is not a single nil well here. The industry is concerned mainly with refining, marketing, transportation

There are several reasons for the um industry in Singapore. They include the government's policy nn tax incentives as well as political stability, infrastructure (such as an excellent port and good banking and communication facilities) and a hardworking and skilled popula-

and distribution.

Most crude oil comes to Singa-pore from the Middle East, normally transported by very large crude carriers (VLCC) of 150,000 metrie tons and up. Refined oil for export is shipped out in small-product

and petroleum products valued at about \$4.4 billion during the first nine months of 1977. About \$3 million of crude oil accounts for the bulk of the volume, most of which is from the Organization of the Pedi Arabia provides 58 percent of these imports, fullowed by Iran with 14 percent.

Malaysia is also a major supplier of crude, most of it from the Shell fields in Sarawak.
The crude oil imported from

these countries is processed by Shell (capacity: 500,000 barrels a Esso (231,000), Mobil (180,000), Singapore Petroleum Co. (65,000) and British Petroleum 728,000), For every barrel of 159 liters of

crude, refineries here produce about 23 liters of gasoline, 41 liters of kerosene and diesel, 82 liters of fuel oil and seven liters of other products. The remainder is used as fuel during refining or is lost in the

At the moment, most refineries are operating at half their capacity. The distillates are kept as stocks by the refineries either for export or to

quantities of refined products, totaling about \$1 billion, of which almost \$200 million is re-exported. Combined with the \$2.6 billion in domestically refined exports, total oil exports (not including those to Indonesia) amount to \$2.8 billion.

Japan

Kerosene and other fuels account for 44 percent of these exports, diesel fuel 19 percent and aviation fuel 14 percent.

Japan continues to be Singapore's biggest customer, with \$800 million of export sales, followed by Hong Kong (\$576 millioo) and Malaysia (\$305 million). Australia, Thailand, the United States, Papua, New Guinea and New Zealand also buy Singapore's petroleum prod-

Vietnam used to be an important market. But since the end of the war, its imports have become negli-

Bunker fuel supplied to ships and aircraft that are not registered in Singapure is considered as exported. So the actual domestic consumption constitutes only a minor proportion of the refinery out-

The capacity at which the five refineries here operate depends on the export market. So until the world economy accelerates, local refineries will bave difficulty raising production levels.

New Project

Despite the gloomy oil situation in the last few years, the most ambitious project undertaken here -the Sumitomo petrochemical com-plex at Pulau Ayer Chawan — is under way. This joint venture between the Singapore government and the Sumitomo Chemical Cn. is a elear-cut move to develop highertechnology petroleum products. Singapore was chosen because of its proximity to existing refineries. which will supply naptha/gas-oil and process feedstock.

The complex is expected to have one upstream and five downstream companies. The upstream company

will operate a naptha/gas-oil crack-er and process feedstock from existing refineries into such intermediate products as ethylene and propylene. These products will in turn be sold to the downstream compantes for conversion into plastic resins and other petrochemical inter-



offshore banking industry have not during the past five years by a massive 265 percent to slightly floore than U.S.\$23 billion ar mid-mat from \$6.3 billion ar mid-mat from \$6.3 billion Irom \$6.3 billion at end-1973 had less than \$3 billion at endlar bond market, a clutch of Singapore-based houses have established positions as primary-issue managers and selling agents. Top names would include the Development Asia Dollar Bank of Singapore (DBS), DBS-Bankers still generally rate Hong dog higher as a center of offshore syndication but Singapore's dollar-deposit business is generally rate. Daiwa, Morgan Grenfell (Asia). United Overseas Bank, Singapore Nomura and Singapore-Japan. In

tied to have outsurpped

lione Kong's by a third or more.

exchange business involved the Singapore dollar. Dealers say this year's percentage will be less. In addition to geography, rea-sons commonly cited for Singa-pore's banking success include the excellence of its telecommunications and its remarkable political and economic stability. More controversy surrounds the

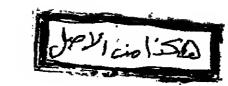
role of the MAS. Progressive-mind-

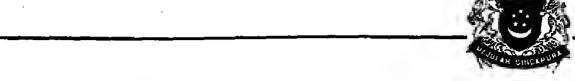
Major Supplier Singapore imported about 21 million metric tons of petroleum

meet local demand. Singapore also imports large

troleum Exporting Countries. Sau-

ed and sensitive to bankers' needs, the authority, under Managing Director Michael Wong Pakshong. has presided over a growing system In the will-o'-the-wisp Asian dolyear, the market can place about that now includes six international U.S.\$20 million to \$30 million money brokers (there were none worth of bonds at a time. In unfawhen MAS was formed in 1970) vorable conditions, the market four discount houses (none in hibernates During the past year, an active primary market emerged for U.S. dollar fixed and floating-rate certisome foursecore commercial banks. 1970), more than two dozen merchant banks (none in 1970) and ficates of deposit (CDs), and a reg-On the other hand, MAS runs a tight ship, at least compared with nlar secondary market for the fixed the free and easy ways of Hong savorable conditions, which bave rate CDs has been nurtured by DBS and two newly arrived invest- Kong. not existed for most of the past





The World's Most Preferred Site for Foreign Investment

States. Together, their value is about \$40 million.

States. Together, their value is about \$40 million.

Worried by rising protectionism in the high-technology in its major export markets and eabusinessmen that showed Singa-businessmen that showed Singa-pore to be the world's most pre-lared site for foreign investment. It lared site 101 to the scores of over-the only confirmed what scores of over-the seas investors here already knew. With its hardworking and discipfined work force, an enviable program of government incentives and gam or sommunications and munications are manaport, the island republic is a manaport, the island republic is a layer for foreign capital.

At the beginning of 1978, there was more than \$4 billion (nearly U.S. \$2 billion) in foreign investment here. During the first half of the year, investment commitments increased appreciably more than in 1977, reaching \$530 million. For all of last year, they totaled \$391 mil-

The two largest projects introitem designed by Koyo of Japan and an arrange of the United small component factor, owner the by Sundstrand of the United

in its major export markets and ea-ger to raise the technological level of the local work force, the Singapore authorities are now making a special effort to lure high technology foreign investment that turns out the kind of products that are largely immune from tariff restric-

This effort appears to be bearing fruit. According to the Economic Development Board (EDB), the government agency responsible for promoting investment in Singapore, some 60 percent of last year's 117 new or expanded investment projects were in the technology-metalworking or intensive electronics

Pioneer Scheme.

The EDB encourages high-technology investment through its "pio-neer scheme," under which a fiveyear tax holiday is granted to firms introducing industry considered likely to produce goods with high variably in the high-technology field, it has the added benefit of raising the technological capability of the work force.

At the same time, high-technology industry has important spin-off benefits for small-scale industry held by local interests. For example, Philips, the Dutch electronics giant, gives subcontracts to local firms to produce plastic compo-nents for the radios, television sets and telephones it manufactures in its five Singapore installations.

The EDB, together with other government departments, has voiced some concern over the small level of locally generated investment in the manufacturing sector bere. But EDB officials hope that in the long run the managerial and technological expertise that Singaporeans acquire in foreign projects will instill a spirit of entrepreneur-

The United States remains the

is followed by Japan (\$633 million), the Netherlands (\$571 million) and Britain (\$566 million).

Petrochemical Complex.

It is almost certain that the United States will be displaced by Japan within the next several years. A Sumitomo petrochemical complex, valued at about \$2 billion, is scheduled to begin operations in early

The Sumitomo project is by far the largest foreign investment ever contemplated for Singapore. Officials here are nervously watching its progress. Japan's domestic petrochemical industry is suffering from overcapacity, a condition that has led to some speculation that Sumitomo may want to delay con-struction work in Singapore until its products have a market. For their part, the Japanese are sticking to the 1982 opening date.

Singapore makes no secret of the role it believes foreign investment largest foreign investor in Singa-pore, with a total of \$1.37 billion. It the republic's economy. "Singa-

press sympathies for the Marxist-

· Mr. Lee himself may not be

ognize those more enterprising than ourselves," Prime Minister Lee Kuan Yew declared in a recent speech. "That was the key to our

apid development."
In the same speech, the prime inister pointed out that some 12,000 foreign managers, engineers and technicians have worked in Singapore, a figure which represents 20 percent of the work force in those categories. Some 250,000 ployed by them, he said. Underscoring Prime Minister

Lee's remarks on the role of foreign investment in Singapore's develop-ment is a recent EDB survey citing the high success rate enjoyed by foreign firms here. According to the survey, not a single major multinational corporation has failed in its Singapore venture. Enterprises wholly-owned by U.S., Western Eu-

Asian countries have cast a pall of gloom over Singapore's shipping and shipbuilding industry.

Several small shipping firms here have closed down because of the re-

cession in the shipping industry or because there was too little cargo to

carry. Others have laid up their

The high costs of bunker fuel

the economic policies practiced by

workers, or 30 percent of Singa-pore's total work force, were emcent, about half the failure rate for other foreign firms, such as those from Hong Kong and Taiwan.

The survey also showed that when Singaporeans went into joint ventures with firms from the United States, Japan or Western Europe, the failure rate was 7 per-cent. Wholly Singaphre-owned companies have a failure rate here

foreign firms operating in Singupore is the wage structure. The average monthly wage for production manual workers in 1977 was U.S. \$146, a twofold increase from 1966. Singapore's union leaders, wbo work hand in hand with the government, have been careful not In press for more rapid raises. which they fear could reduce Singupore's investment competitiveness

Recession, Nationalism Trouble Shipping

of pore is the fourth busiest port in the world and serves as a transshipment center for the region. More than 200 shipping lines from all over the world call here regularly, with many other ships stopping

over on tramp services.

But the recession in the world

ships to cut down operational costs. economy and the economic nationalism practiced by the Southeast

Observers note that Mr. Lee has

a politician's sure aim for the jugu-

lar vein of those who cross his path,

Some opponents have found them-

selves bankrupt - and thus, by

law, unable to participate in elec-tions. Libel suits are instituted with

frequency in Mr. Lee's Singapore,

and judgments are often beavy.
The Far Eastern Economic Re-

view published in Hong Kong is a

frequent target. It is now being

sued over a story of suspected in-sider trading on the stock exchange

that the exchange says is not true. Previously, one Review reporter

was jailed and later confessed to

holding Communist sympathies.

No hint of scandal has touched

the prime minister himself. His life

is exemplary, and even his enemies

have eaten into the profits of the companies since the oil-production countries raised their prices. Another major factor that has affected the industry's performance is

> Singapore's neighbors. The first move came when the Malaysian Parliament approved the Merchant Shipping (Amendment and Extension) Bill 1976, under which all cargo from one Malaysian port to another should be carried only by Malaysian-registered vessels operated by firms with at least 50 percent of the shares

controlled by Malaysian citizens. The three main local shipping lines, Straits Shipping, Guan Guan Shipping and Pacific International Lines, have already transferred some of their ships to the Malaysian register and opened up offices in the Malaysian capital of Kuala Lumpur to comply with the regula-

Smuggling

In February, 1976, Singapore firms trading with Indonesia were drastically bit by an Indonesian government move to curb smugling. New Indonesian regulations require proper documentation for dealings involving goods subject to high duty. As a result, trade in these goods between the two countries plummeted by 50 percent and

has not yet recovered.

The Indonesian government has also placed several other restricnons on Singapore ships trading at Indonesian ports. Local vessels that call at Indonesian ports must get a sailing permit every six months and some are not allowed to enter certain ports undergoing development.

Under a cargo-sharing agreement igned between the two countries, 55 percent of the cargo from Singa-pore to Indonesia is to be carried by Singapore vessels and 45 percent by Indonesian vessels. The percentages are reversed for cargo from Indnnesia to Singapore. Singapore firms have reported a decline of 40 percent in cargo from here to Indonesia because of the

Local shipping companies have also complained that trade with Middle East ports has dropped recently. Governments there have restricted shipping activities to con-ference lines ships because of the proliferation of bogus firms that have swindled shippers.

Most of the Singapore firms that call there do not belong to any conference but are independent opera-

Despite the many difficulties faced by local shipping firms, several of them are still expanding into new trading sectors or increasing

Singapore's national shipping firm, Neptune Orient Lines, recentplaced a \$280 million order for ive containerships with Ishikawajima-Harima Heavy Industries of Japan. The company started a Far East-U.S run earlier this year and now contemplating scheduled services to Western Asia and New

Several other private firms, like

Pacific International Lines, are also planning on expanding their fleets. The government has announced that it would help finance local firms that want to build ships — provided the vessels are built at loal shipyards. Besides aiding the firms, this would also provide business for the yards, which are facing a drop in new orders.

The ship repair industry, however, performed well lust year despite undercutting by local yards to compete with their rivals overseas. But the future for the ship-repair yards is gloomy because of the setting up of new yards in the Middle East and in East Asian places like Hong Kong, Taiwan and South Korea.

Competition in the repairing sector is now keen and prices are compeutive. However, Singapore's strategic location in the center of the shipping traffic should be an

But Singapore's image as a shiprepair center suffered a severe setback when the Liberian-registered tanker, Spyros, exploded and caught fire in a shipyard on Oct. 12 of this year, killing 76 people and injuring more than 50 workers. The shipyard has already cancelled contracts for work on five tankers because of the low morale of the workers.

The oil-rig construction industry. which has slumped for the past three years because of the decrease in exploration activities in South-east Asia, has now picked up. Three rigs are being built in Singapore yards for China and three others for French and American firms. The yards expect an increase in orders in the coming months because of the worldwide increase in exploration activities offshore.

A Fully Functioning Democracy Ruled by One Man

Although admitting that he was arrured on the Socialist objectives arrured on the Socialist objectives of the British Labor Party (and parintheneed by the movepromphecical influenced by the movenent's anti-colonial stand), Mr. The sale of history. I have plant in a revealing speech made be-

the message during his recent trip to the affected in the chitted States, the prime minister that planned Socialist that message conomies had failed. Why try have the he has repeatedly been shown to of the period in the logical and attractive the theomight be?" he asked. Such talk is making what prompted the Socialist Interstraine mional to seek the ouster of PAP in mun cast year. (Mr. Lee's party walked Manager light of the Socialist International the gennal congress in May, 1976, reminimum rivs charges about Singapore's the patrolations of civil liberties were not indexetthdrawn.)

Mr. Lee unabashedly is modeling minis new Singapore on capitalistic and openly invites

Cooperatives

Singapore does promote cooperatives to improve conditions in some fields. Trade unions, for example, formed a co-op in which taxi drivers own their own vehicles. And a central fund has been made mandatory as old-age security. But internationally and internal-ly, Singpaore is for free trade, free enterprise and rapid economic

Mr. Lee told his listeners in the United States that in facing the "re-alities of the world," in 1965, "the sole objective was survival. How this was to be achieved, by socialism or free enterprise, was a secondary matter. The answer turned out to be free enterprise, tempered with the socialist philosophy of equal opportunities for education,

tors to come without the usual demands of developing nations for equity participation and eventual local control of enterprises.

was precious little to nationalize," on. That goes not only for Malayan he said. Furthermore, he considered Sukarno's Indonesia, U Nn's also for intellectuals, lawyers or Burma and Bandaranaike's Ceylon journalists who might secretly ex-

Given a commitment to freedom in enterprise and commerce and directly criticized (although one is free to lambast his policies). Per-sons who overstep the bounds of propriety may find themselves facadherence to the British parliamentary system, Mr. Lee sought to create a new identity for Singapore.

A Code

In doing that he has moved in tough, even harsh, ways. There is a generally understood code now: · No mention must be made of racial differences. A Chinese newspaper publisher who allegedly promoted an image of chanvinistic Chinese superiority in invidious comparisons to other cultures, was broken. A new newspaper law put through Parliament this summer states that no one may own more than 3 percent of the shares of any newspaper. The offending publish-

ing stiff libel suits. Outsiders may not import influence into the country. One such effort, by a Hong Kong publisher, to open a competing English-lan-guage newspaper, was stopped

Dull and Docile Editors and reporters understand

three years ago in an embarrassing

display of government heavy-hand

these ill-defined but very real political parameters on their actions. Little wonder that a recent university Mr. Lee unabashedly is modeling jobs, health and housing," he incre Singapore on capitalistic explained.

Mr. Lee unabashedly is modeling jobs, health and housing," he is family-held grip on his student debate on the question of own newspaper.

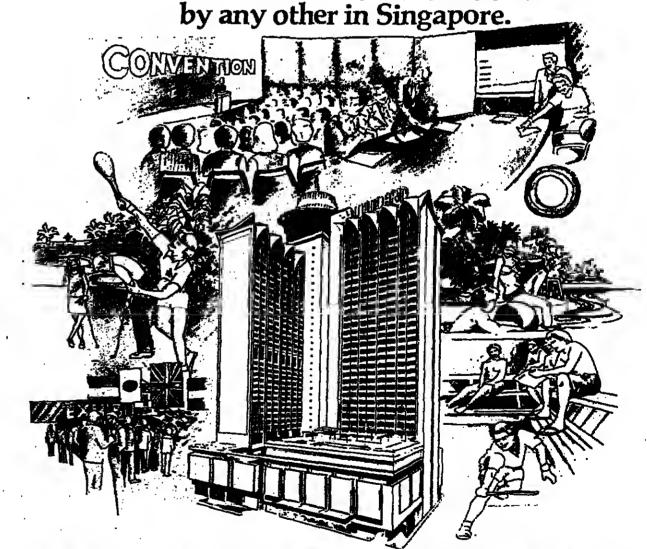
Communism in any form is might be under that a recent university or lost his family-held grip on his student debate on the question of own newspaper.

Communism in any form is prohibited. Violators find them in its prohibited in the prohibited of the question.

say he is honest and incorruptible. He guards that image with an avidi-ty reminiscent of the purity once

reserved for Chinese emperors on whom no stain could fall. For all the faults of the Lee Kuan era, Singapore remains the best-run, cleanest nation in Asia, "You've got to give it to him," said an admiring foreign diplomat, "Lee runs a tight ship."

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Essay: Criticism Should Be Based on a True Understanding

By Dick Wilson

ONDON (IHT) - Soon after 1 began to live in Singapore, almost 10 years ago, I received a letter from the Ministry of Culture. It was signed by a person who called himself "Director, Undesirable Publications." A magazine had ar-rived from abroad for me that he rived from abroad for me that he was not allowed to have the post office deliver. All very Orwellian, one may say, but in fact I was entering the halfway world between good old-fashioned Chinese authoritarianism (which would simply have confiscated the periodicals in the periodicals of the periodicals of the periodical of the periodic questioo) and liberal Oxbridge democracy (where there would have been no such restriction at all).

Eventually, I signed a pledge that I would oot show these pernicious materials to Singapore citizens and that I would either destroy or reexport them. It was, incidentally, the Peking Review that I was trying

to have delivered. The Singapore dilemma is per-sonified by Prime Minister Lee Kuan Yew himself. Brilliant, hardheaded, clear-sighted and charismatic, this unusual leader is troubled, as was Nehru, by "cultural schizophrenia." Mr. Lee has the manners and the values of a Cambridge graduate and yet he is doomed to preside over what Mary Turnbull, in her new history of Sin-gapore, has described as a "mini-middle kingdom" in Southeast

Aisa.
Westerners assume that Singapore may be treated as an Anglo-Saxon product. Actually, it is almost fully Chinese. The Western press does oot belabor Chairman press does oot belabor Chairman Hua Kuo-feng in Peking or Sir Murray MacLehose in Hong Kong for denying democratic or civil rights to their subjects. Yet Mr. Lee, trying to perpetuate a state only half the size of Hong Kong in a culturally hostile Malay environment, is singled out for betrayal of his Oxbridge values. China and Hong Kong, one revolutionary and the other colonial, do oot pretend to be democratic. Singapore does pretend, and therein lies its difficul-

Communists

Foreign attention focuses on the 60 or so men and women detained without trial. The Singapore government explains that it cannot deal with its Communist opponents through the courts because of what Mr. Lee has described as "the ter-

ror of retribution in the minds of those who are enmeshed in the Communist conspiracy." The witnesses whose testimony would be required in a court of law would

simply oot come forward.

Singapore can point to a pre cedent set by the British colonial authorities, who in the late 1940s and 1950s had to detain 20,000 local people without trial in order to

Mr. Lee insists that his detainmr. Lee insists that his detain-nees "can walk out of detention at any time by signing a simple under-taking (pledge) that they will not in future, either directly or indirectly, help the Communist Party of Malays or any of its auxiliary organizations to overthrow the constitutionally elected government of

Singapore. . . . One detainee, Shamsuddin Tung, o journalist, wrote to the press of fering to sign such an undertaking, but he is still behind hars. Having detained him for belping the Communists, the government could hardly allow him to go free by stating, as Mr. Tung was ready to do, that he had never in the past and never would in the future do such a

Hence the unseemly and cruel iail "conversions" and televised "confessions" by people who, in the eyes of those who knew them best, had never intended to overthrow the government.

The Internal Security Department (ISD) is answerable only to the prime minister. There have been nasty suggestions in the past year or so that its officers have increased the cruelty of their interrogation and are blessed with a rather low degree of sophisticatioo in their judgment of political attitudes.

The prime minister has a short answer to the former suggestion: Any aggrieved persoo can sue the officers concerned in the Singapore courts. He does not find this advice inconsistent with his own refusal to charge detainees in his courts. One wonders how successful a former detainee would be in finding witnesses to support such allegations

Mr. Lee once answered his Amnesty International critics by declaring that "they must know" that the detainees are Communist or Communist supporters. In other words, one must rely oo his judgment and that of the ISD on the complex question of whether a man is a Communist supporter.

China and Hong Kong, one revolutionary and the other colonial, do not pretend to be democratic. Singapore does. . . and therein lies its difficulty.

Foreign Minister Sinnathamby Rajaratnam hailed the last election landslide for the People's Action Party (PAP) as a mandate "to fight the Communists and the pro-Communists." One shudders at the leeway that latter phrase could give to the heavy-handed elements available in the background of the party

and administration.

Sometimes it looks as if the ISD is constructing a network of dossiers on almost every Singaporean of sufficiently independent opinion to brush against the government, even on minor questions, so that eventually the authorities could, in an emergency, round them up. The confessions obtained from detainees read all too often along the lines that "A is a radical who was involved in the such-and-such pro-

test. He knows B, C, D, E and F." (Sometimes at the end, one finds o name that temporarily suspends belief, such as the "Peter Pan" who was found to be one of the Communists agents in Australia.)

Why is all this necessary? Was not the PAP voted into power at the last count by 72 percent of the electorate? Enoch Powell, in another context, has recently drawn attention to the fact that 10,000 Normans conquered one million British in 1066. By this reckoning, the 2 million Singaporeans could possibly be defeated by 20,000 Communists. By coincidence, this happens to be the number of people that the British found oecessary to detain

30 years ago.
The PAP oow says officially that

Communism is on the decline in the schools. Its recruits, the prime minister has said with pride, are "no longer the bright ones." This trend has led to the promise

that suitability certificates for university entry may be suspended, an action that would, as a local paper commented, "encourage activities that will foster political leadership

The fact remains that a relatively small number of dedicated and efficient Communists would still be capable of knocking out Singapore as we know it today. No honest person envies the government's securi-

Some observers put it this way: that Singapore is sacrificing o little freedom for a lot of efficiency. Efficiency there certainly is. If heroin

traffickers become too greedy, then let them be hanged (two were). If courtesy is needed for tourism, let 200,000 "Courtesy is our way of life" buttons be distributed. If too many medical students are staying abroad after production, then let

But the Singaporeans are not superhuman. Recently, ship repair workers left o plastic bag in the works, causing the ship to break down a few miles out at sea. Rollei, the German cameramaker, has found that local skills at its highly

abroad after graduation, then let them be bonded to come back.

A Plastic Bag

sophisticated plant in Singapore are oot as great as company officials had hoped.

Frances Khoo, a young lawyer

and political cartoonist, escaped detention by not answering the ISD's knocks on the door of his 18th-floor flat ot 3:30 in the morning so that the security officers went away. The question at the heart of all

this is not efficiency, but the surviv-al of present Singapore society. The junior minister for education put it well in o speech to Catholic teachers: "The ootion of allowing an individual to develp in accordance with his nature is mere romantic idealism," he said. Education is "above all a social means to a social end: a means by which a soci-

ety guarantees its own survival."
The catch is that society needs leaders, and good leaders evolve their views and their skills by per-sonal experience in political action, not by soaking up ready-made

propaganda.

Mr. Lee has produced a good Mr. Lee has produced a good phrase in this connection. In the course of praising his two sons, Hsien Loong and Hsien Yang, for surviving three years at Cambridge University without growing their hair long, he explained that they had a "total value system. I am me: I have come to learn your science, your technology. . I have oot come here to have long hair, wear dirty jeans, walk about barefooted, wear T-shirts with strange slogans

'Moral Modulator'

on them '

These two young men had "a moral modulator" that enabled them to draw this distinction in their everyday lives. The prime minister estimates that only 50 people in the state possess this precious modulator and it is on these 50 that the future of Singapore depends.

the Communists want things both ways: They want "both the ballot and the bullet." But he is also trying to have it both ways ing to secure the future of his country while at the same time ensuring its future leadership. A democratic hias on his part might encourage leaders who would come to manuf ty only to find there was no free society left to lead. An autocratic bias might preserve the society but perhaps condemn it to be left leaderless after Mr. Lee has gone.

The government is worried be-cause it wants a second Englishlanguage morning newspaper, and it regrets the lack of experienced and serious journalists who can report on economic and international issues for readers in Singapore. Yet, Mr. Lee knows well that some of the most promising such journalists, who must by definition have independent minds, have fallen afoul of his administration on is sues that observers do not see as basic ones and have either been pressured out of the profession or

silenced by jail.

If the Communist threat is even half as serious as the PAP claims. then outsiders should be more understanding of the dilemma for civ.
il liberties. This does not mean ab staining from comment in individual cases of possible injustice. If does mean proving to Singaporesus that we make such criticisms from the basis of a true understanding of Singapore's political situation.

Dick Wilson was a co-founder of the Singapore daily newspaper the New Nation. He now lives in London where he is the editor of the Chini Quarterly. His biography of Ma Tse-tung is scheduled to appear it

Press Is Distrusted But Not Often Muzzled

SINGAPORE (IHT) — In a re-cent informal meeting with foreign journalists here, Prime Minister Lee Kuan Yew clearly spelled out his attitude towards the press. There are two kinds of people in this world," the prime minister said. "The doers and the describers."

If the journalists got the impres-sions that Mr. Lee had placed them in the category of lesser beings, they were probably interpreting his signals correctly. The Singapore government distrusts the press and has dooe its best to encourage docility among both local and regional reporters.

In 1971, for example, the English-language Singapore Herald, which had assumed an independent stance by local standards, ceased operations after only nine mooths, following government suggestions to its major creditor, the Chase Manhattan Bank, that the paper had a subversive intent.

Last year, the local correspond-ent for the Hong Kong-based Far Eastern Economic Review was detained by security authorities for more than a month and released only after he had appeared on

televison to "confess" to allegations that a Marxist background had led to his portrayal of Singapore as fas-

A 1977 amendment to the Newspaper and Printing Presses Act of 1974 restricted individual or corporate ownership of any Singapore newspaper to 3 percent, effectively breaking the family holding pattern of local Chinese papers.

Signs of Life

Nevertheless, there are signs of life in the Singapore press. Even if reporting of local events is sometimes stifled, it is rarely, if ever, entirely muzzled

Major interest has been focused on suggestions that another English-language daily may be in the offing, to compete with the well-entrenched Straits Times group. which publishes both morning and afternoon newspapers in English. That these suggestions are apparently coming from the government

has led to a whole range of speculaon the role of the new paper.
One school of thought holds that the government is unhappy with the quality of the Straits Times' publications and hopes to upgrade

it through either sanctioning direct competition or merely threatening

Another theory is that the Straits Times' near-monopoly position frustrates government attempts to achieve the desired degree of con-trol, and a new entry would solve this problem.
Finally, it is suggested that the

government's preoccupation with upgrading the standard of English will ultimately reduce Chinese newspaper readership to a point where one of the two leading Chi-

oese language newspaper groups — Nauyang Siang Pau and Sin Chew Jit Pho — will have to go under. In order to forestall this, the argument goes, one will be encouraged to begin turning out an English newspa-

It is estimated that at least \$10 million (nearly U.S.\$5 million) would be required to launch a new English-language paper. However, estion whether there is some qu there is sufficient local journalistic talent to staff a new undertaking.

— P.W.

Mr. Lee is found of saying that The Communist Romancing of ASEAN

(Continued from Page 1)

less, Mr. Dong's formulation was much appreciated. Only three months before, Hanoi refused to have any dealings with ASEAN, declaring it "another insidious tool of the imperialists."

Now Vietnam flatly declares that it will not support subversive action in neighboring nations, directly or indirectly, Mr. Lee told Mr. Dong, "We must establish confidence in

each other by matching words with deeds," Mr. Dong clearly under-stood that ASEAN will be watching Vietnamese actions in Thai-land, where Hanoi is believed by many to be supporting at least some of the insurgents.

Vietnam is not yet seeking mem-bership in ASEAN, preferring to conduct its talks on a bilateral basis with each state. What is turning toward ASEAN is China.

Vietnam and the Soviet Union

Chinese expansion into Southeast Asia. For this reason, Mr. Lee has repeatedly said Singapore will be the last of the ASEAN nations to establish diplomatic relations with Peking, Manila, Bangkok and Kuala Lumpur have had no such compunctions and enjoy friendly direct ties with Peking. However, Singa-pore will have to continue to com-pete with Indonesia for last place. Peking is said to understand the

Singapore's role in this is not as

simple as one might think. With Chinese accounting for 78 percent of the population, Singapore wants at all costs to avoid becoming — or

seeming to become - an outpost of

situation and has not pushed Singapore for recognition. And the visit here last month of Chinese Deputy of his Southeast Asian tour, did not create world-shaking headlines. A reluctance to seem to be grasp-

ing for regional leadership keeps Singapore at a low key within ASEAN. In the capitals of Europe and North America, Mr. Lee is welcomed as the most articulate and compelling of the ASEAN leaders, as he was during his wide-ranging trip in October. In his own backyard, he defers politely to others. That role is not always easy. Sin-

gapore wants to push regional freetrade reforms and economic development faster. When Indonesia balked over establishing a dieselengine plant in Singapore as a joint ASEAN project, Singapore found a Western manufacturer to build the plant without ASEAN financial participation. In order to protect their timber

resources, other ASEAN states have restricted logging: The result is a sharp fall in Singapore entrepot trade in logs, and Singapore businessmen have been complaining

While politically — and strategi-cally — ASEAN is a most fortuitous vehicle for Singapore's desire to be free of big and little power competitions, economically the col-laboration is slow and agonizing.

Consequently, Singapore is looking outside its immediate ASEAN environment for other outlets for its husiness activities. This summer it sought to weld new ties with Bahrain, Sri Lanka and Bangladesh. Singapore sees itself now as a supplier of technology to less devel-oped countries rather than as a primary producer of cheap-labor con-

he believes Singapore can nov serve as a development model foless fortunate countries.

Despite the prospects of detent with Communist nations, Singe pore still sees itself tied econom cally to the developed nations co the West.

During his trip to Western Er rope and the United States in Ock ber, the prime minister four against what he sees as a risk wave of -protectionism in Singa pore's chief markets. "I sense a of nerve in some leaders in gover ment and in industry and among some academics in the West," told an audience in Florida. "The confidence in (the) working (of) th free market system has bee

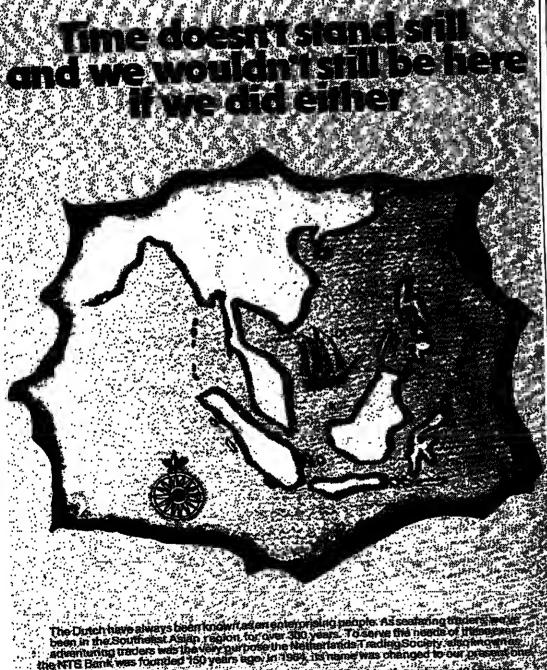
He declared: "The irony is the just as the truth is becoming appa ent to the leaders of developing countries, the new models figrowth, South Korea, Taiwa Hong Kong and Singapore. In the danger of protectionism in the industrial countries."

It is felt that the breathing spa allowed by the internal feuding Singapore's Communist oeighbo must not be wasted; but taken as rare opportunity to build stro and healthy societies in non-Co munist Southeast Asia. For ul mately, it is not fear of Chine hordes or Soviet gunships but i possibility that Communist insegents will take advantage of t region's weaknesses that looms the real threat.

Mr. Lee seeks some sympat for that position from the gover ments of the West. Singapore is a seeking aid, rather an enlarged fit of industrial investment and a co mitment to free trade.

A large delegation from the ropean Economic Community vi ed the ASEAN nations this autur to probe ways to increase Europe investment in these countries improve trade between the B and ASEAN. This was an impo and astern because for the first in ASEAN and the EEC dealt w each other as regional organitions. Previous contacts had be hilateral talks between individmember nations.

Singapore's leaders hope there will be many more meets between the EEC and ASEAN.



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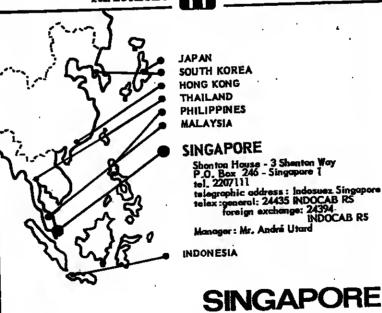


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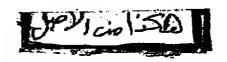
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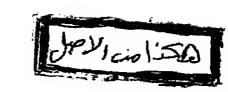
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BUSINESS

Herald Tribune

Published with The New York Times and The Washington Post

PARIS, MONDAY, DECEMBER 18, 1978

FINANCE

Euromarket.

Eurobond Prices Sharply Lower, Beset by Monetary Uncertainties

By William Ellington

intertainties caused investment de-mand to dry up.

in general, prices fell far enough to push yields of medium-term Eurodollar note issues up by about 30 hasis points while long-dated yields rose by around 20 basis points.

Despite the increase in yields, remins on short-term investment remently dealers said that there still tous to commit funds to the bond marker Among uncertainties facing investors were the impact of the Diabi on financial markets, tur-Diabi on imancial markets, tur-mod in Iran which threatens the mod in Iran which threatens the leadership of Shah Mohammed Resa Pahlavi, and an apparent im-resa Pahlavi, and an apparent im-sissue under offer at the end of the passe in peace-treaty negotiations

Moreover, the dollar came under estire last week despite central be instante last week despite central
to hank support and senument among
to be support and senument among
the support among the hoped that potential appreciaincome among investors about a maining 15 years.

According to arompanied by a marking down merest rates, disillusionment was

Another negative influence on gen-year domestic note issue of sord. Motor Credit, which is Motor Credit, which is AAA -rated by Moody's and. AA -rated by Standard and too's, was not well received de-

DONDON. Dec. 17 (AP-DJ) — coupon basis comparable with Eu-ternodollar bond prices fell sharply robonds of 9.70 percent. Since this yield was considerably

higher than comparable Eurodollar issues, it served to illustrate the exteni that the Eurodollar bond market was out of line with its bigger New York cousin.

"It only required a faltering in the dollar's progression to trigger a reaction in a market that had already outrun its U.S. domestic and vankee counterparts," Kidder Pea-body International told its clients. The investment bank said that taking into account the dollar's nearterm uncertainties, the likelihood of rising interest rates and the possibility of an increased flow of new issues, it would advise caution at

week was reportedly receiving considerable demand from large instinuions, albeit at generous concessions from issue price. The unusually structured \$50-million, 20-year issue of the European Coal and Steel Community (ECSC) bears interest at 9.75 percent for the first five years and 9 percent for the re-

According to market partici-pants, the issue was being made available to large institutions at a discount of 1.5 percent from issue price, which will be fixed by the in market was a further decline in syndicate manager. S.G. Warburg, bond prices. A \$250-million. and Co. on Tuesday. Earlier in the syndicate manager. S.G. Warburg week, Union Bank of Switzerland (Securities) Ltd. placed privately a \$25-million, 10-year issue of the European Investment Bank at 99.75 bearing 9.375 percent to yield

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Bitco 1.20
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New York Stock Market

By Vartanig G. Vartan

NEW YORK, Dec. 17 (NYT) - "My clients read all the threatening news about the economy and the stock market," a Wall Street broker lamented last week, "and that just keeps them holding onto their cash all the tighter.'

It was a week full of dire forecasts about the heights about to be scaled by both interest rates and the inflation rate.

As for the Dow Jones industrial average, it sank 6.50 points, to 805.35. after edging ahead less than 2 points during the two preceding weeks. A sea of uncertainty, including possible increases in the price of imported oil, washed over the stock market Friday, a session that trimmed 7 points

Henry Kaufman, a partner of Salomon Brothers, weighed in with his view of credit demands and the U.S. economy for the coming year. It was not the sort of prediction calculated to make people rush out and buy stocks and bonds.

Record Prime Rate Predicted

He sees the prime rate imposed by commercial banks moving ahead from the present 11½ percent to the 13-percent level — a figure that would shatter the record 12 percent reached in 1974. He envisages an inflation rate climbing to between 9 and 10.5 percent. All of which is not to suggest that brokerage firms and investment

counselors are bereft of investment suggestions.

For the long-term investor whose sights — and fond bopes — are oriented to capital gains, the research department at Smith Barney, Harris

Upham made these comments: We're particularly interested in medical-treatment and computer-technology companies at this point. Buying opportunities have surfaced once again and we would recommend three stocks in particular: Cobe Laboratories, a manufacturer and marketer of hemodialysis and cardiovascular therapeutic systems; Puritan-Benefit Corporation, whose specialized products include inhalation-therapy and respiratory units, medical gas distribution equipment and high-altitude emergency oxygen equipment, and U.S. Surgical Corp., a specialist in surgical stapling devices.

"Many smaller-growth computer-technology companies offer similar strong productivity-gains potential at a reasonable price. Our choices include: Amdahl Corporation, which specializes in communications processors to facilitate data communications; Cray Research, a manufacturer of scientific computers and software: Storage Technology, a maker of data-storage systems, and Prime Computer, a manufacturer of minicom-

Boveri and Co., which underwriters The blue-chip Swiss capital equip-describe as "hot." The issue comprises 80,000 bonds, whose par value will be fixed later, probably at \$1,000. Each bond is convertible

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pay a 4.5 percent coupon rate for its 15-year issue. Also in the market is an option

maturity. floating rate note issue can for Bank fuer Gemeinwirtschaft, a lyst (Continued on Page 9, Col. 1)

Soles In Net 100s High Low Last Chipe

Over-Counter Market

Gold Futures Rise Amid Inflation Worries

Commodities

By Sue Shellenbarger

CHICAGO, Dec. 17 (AP-DJ) --New worries about inflation netted small price increases for gold futures last week, while soybean, cattle and lumber futures rose on news of strong demand and shrinking

The U.S. dollar, fresh from a brilliant November recovery on foreign money markets, slipped lower as oil-producing nations meeting BI Abu Dhabi, United Arab Emirates, appeared set on raising oil prices despite pleas from President Carter. Gold futures gained about a dollar an ounce for

December. New snags in the Middle East peace negotiations and bloody rioting in Iran spurred additional ner-vous demand for gold, outweighing the approach of next week's 1.5-million-ounce U.S. government gold auction, analysts said.

Trading in financial futures reflected those factors, as interest-rate futures tumbled Friday, along with the stock market, on rumors of an impending new tightening of credit. Currency futures for the yen, the Swiss franc and the Deutsche mark posted gains against the dollar.

On the Chicago Board of Trade, soybean prices did not decline, despite the pressure of selling by professional and local traders. Analysis said a strong demand for soy-bean meal and the continued refusal of farmers to sell at prices below \$7 a bushel helped keep prices higher all week.

Matter of Availability

"For the processors, it's not so much a matter of raising cash prices. It's a question of whether they can get beans at all," said one ana-

An industry group reported con-

Sales in Nel 100s High Low Last Chae

converted to oil and meal last week almost 3 million more than the like

week a year ago. large importer such as China, the Soviet Union or India for soybean oil also belped soybean prices gain from 3 to 7% cents a bushel to close

Rumors of possible demand by B at \$6.891/2 for January contracts.

tinued high levels of soybean crushings by domestic processors, with 20.8 million bushels of the oilseeds as 141/2 cents, closing at \$3.601/4 a busbel for December, and corn futures were 312 to 7 cents lower at

\$2.18% a bushel for December.
In the wheat market, rumors of a jumbo rail shipment of wheat to Chicago by B major exporter were dashed by Friday, and expected big deliveries against the December though December prices jumped 11% cents as a result of buying by local traders, the leap was insufficient to crase sharp losses earlier in the week.

Page 7

Fueling a wheat-futures price re-covery of from 2 to 114 cents Fri-day was a U.S. Agriculture Department report that 406,400 tons of wheat exported recently went to

But Public Resists System

U.S. Big Business Slowly Metricates

By Nancy L. Ross

WASHINGTON, Dec. 17 (WP) - About half of the Fortune 500 companies have begun converting

to the metrie system, but con-sumers oppose it by 2 to 1. In B recently released progress report on metrication, the General Accounting Office observed that the primary reason for conversion in the United States is the belief that it is inevitable, rather than an assessment of any certain benefits to be derived from it. (A mere 5 percent of the Fortune 500 felt that shifts in measurement would significantly promote international

Given the costs, which the GAO estimates in the billions of dollars, the government watchdog agency recommended a go-slow attitude toward metrication until Congress can decide whether the use of the metric system warrants the effort

and the expense.

The GAO instigated the report, officials insist, Yet its point of view is shared by two conservative Republican congressmen, Eldon Rudd of Arizona and Philip Crane of Illinois. They introduced separate bills this past session to abolish the U.S. Metric Board on the ground that conversion should proceed ni the pace of the marketplace without government intervention. The bills were defeated by a 4-to-1 margin.

Getting in Step

The U.S. Metric Board, which began functioning only recently, shot back at the GAO, insisting that by passing the Metric Conversion Act of 1975. Congress bad committed its support for voluntary conversion to metric measurement. U.S. industry is converting not because of any "inevitability syndrome," but because it feels the national interest lies in getting in step with the rest of the world, the board said, Finally, the board noted that the GAO had failed to point out that conversion costs are a one-time investment, whereas benefits are continuous.

The board's chairman, Louis Polk, sought to reassure the business community last week nt a Chamber of Commerce meeting. "The board has no mandate to

Sales In Net
100s High Low Last Chips

cram anything down anyone's throat and it has no intention of doing so," he said. He suggested that companies convert in conjunction with other changes so as to re-

Public emicism of U.S. conversion to the metric system has increased during the past year, ae-cording to the American National Metric Council, a private group

helping companies to convert, A precipitating event seems to have been the National Highway Traffie Salery Administration's de-cision in June, 1977, that all speed limits and other highway information would be converted to meters and kilometers by 1982. Of the

more than 5,000 comments

received, 98 percent were negative. A public opinion poll conducted for the GAO showed that half the people responding believed they would not benefit from conversion. The remainder were split between those who believe they would benefit and those that had no opinion.

While the public is once again (Continued on Page 9, Col. 2)

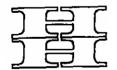
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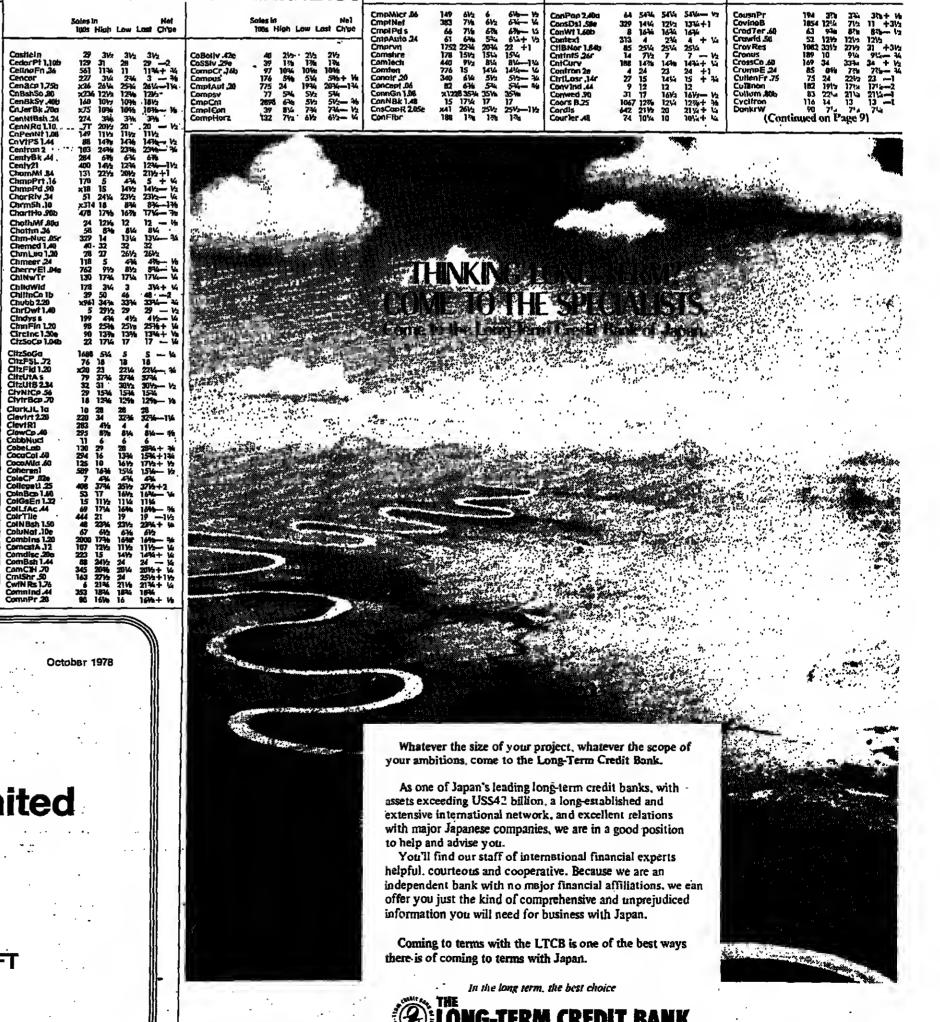
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Standard Forecast in U.S. Predicts 1979 Recession

By Leonard Silk

NEW YORK, Dec. 17 (NYT)-The standard forecast for 1979 the consensus of the nation's business and academic economists - is moving down. But it still calls for only a moderate recession or an advance so sluggish as to be called a "growth recession" — one in which unemployment will rise despite a small gain in real output.

national product — total output corrected for inflation — for unemployment to stay the same, because cline by 2.1 percent. of the rise in the labor force and

know every forecast in the country. especially because many are kept confidential, Eggert Economic Enterprises of Sedona, Ariz., which is headed by Robert Eggert, former chief economist of the Ford Motor Co. — regularly collects 40 so-called "hlue chip" forecasts that are made public.

At the beginning of last mooth. Mr. Eggeri's "hlue chip" 40 were. on the average, showing a 2.5-per-cent increase in real GNP for next year. Now the average forecast has been lowered to 2.1 percent.

Inflation Consensus Worsens

The consensus forecast for inflation has also worsened a hit, moving up from 7.5 to 7.7 percent. So has the outlook for profits; last month the average forecast for pre-tax profits next year was for an increase of 3.7 percent; this has now been cut to 2.8 percent. Because those pre-tax profit figures are not adjusted for inflation, this implies a decline in real profits next year of 5 chip" forecasters are expecting a

Without exception, the economists expect unemployment to rise to 6.6 percent. The range of their Econoviews International, the most optimistic, is saying that unemployment will average 6.1 percent; Econoviews expects real GNP to gain 4.2 percent. But Sindlinger. small gain in real output.

It requires an annual increase of about 3½ to 4 percent in real gross national product — total output corrected for inflation. — total output next year. Sindlinger is predicting that real GNP next year will de-

Though only Sindlinger among roductivity.

Although it is impossible to real GNP, 52 percent of the "blue

recession, rather than just a growth recession next year. The reason the predicted gains in real GNP for next year can rise with a real recession in prospect is that, coming off the fourth quarter of this year. GNP could show zero growth throughout next year, quarter by quarter, and still average higher than this year — because this year's fourth quarter was the highest of the year.

Forecasts Are Bunched

The economists' forecasts usually don't stray too far from the consensus position. Some suspect that this is a sociological phenomenon. because economists are a clannish

U.S. Moving to Metrics

(Continued from Page 7)

questioning whether the confusion and the cost are really worth it, highusiness goes determinedly ahead with conversion. Small husiness has taken little positive action, the survey showed. Only 12 or 13 percent of the 1.400 small firms polled indicated they had converted to metric or were in the process. They cited the costs of dual inventories during conversion and employee training in metrication.

Apart from the pharmaceutical industry, which has used the metric it were not for its leadership, con- changing,

version in the United States would be at a standstill.

GM's target date for predominantly metric passenger cars is 1982; Chrysler, the late 1980s; Ford and American Motors, the early 1990s. GM also plans metric equivalents for the measurements of trucks by 1982. Moreover, GM has found that conversion is not so expensive as it had anticipated. Io 1976, it estimated that its costs would be only 3 or 4 percent of the

original 1966 estimates.

Most of the activity, as might be expected, is with multinational corsystem for years, the automotive in-dustry — really General Motors tries, aviation and petroleum, have Corp. — leads the way. Io fact, the adopted the attitude that because report noted, GM's competitors the world is used to the U.S. sys-and suppliers told the GAO that if tem, there would be little benefit in perceot, but it has averaged about 6

stantly. Furthermore, few are bold enough to hold out against the

But a few economists play it the opposite way, convinced that most people will forget a poor forecast but remember a bold and unusual one that hit the outlook right on the nose,

Indeed, husiness economists routinely change their forecasts to catch up with events. David Grove, the former chief economist of International Business Machines (which usually keeps its forecasts confi-dential) used to say: "If you can't forecast, forecast often."

Another reason most economists do not stray too far from the consensus is that the standard forecast has generally been pretty good except in highly unusual years.

Last year's standard forecast was not too far off in most respects. In December of last year, the average prediction of the 40 "blue chip forecasters was that real GNP would gain 4.2 percent this year; the actual gain this year promises to come in at 3.8 percent.

However, the economists were too optimistic about inflation this year. Last December, they predicted, on the average, that the price index used to correct GNP would rise by 6 percent this year; the actual increase oow looks like 7.5 per-

At the same time, the forecasters were too pessimistic about unemployment. The average forecast was

and Swiss Bank Corp. (Overseas)



Scott Ellis of Indiana University jumps on his teammates, Mike Woodson and Ray Tolbert, after upsetting Kentucky 68-67.

Friday's College Basketball Games Newberry 70, Tusculum 60 Quachite Bootlast 82, Hordin 72, OT Rodford 167, Biueffield Col. 72 Sovannah Si. 92, Palm Col. 89 W. Kectucky 162, Davidson 51 Wheeling 75, W. Vo. Si. 67 Winthrap 80, Coastal Corelina 72

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Rider 44. Trenton 51. 43
Scranton 74, Kutxtown 73 (DT)
Serine Garden 44. Stockton 51. 38
Western Connecticut 91. Westfelt
York IN Y151. Dis. of Columbia 49

Arkansas-Pine Bluff 77, William Jewell 74
Auburn-Montsomery 69, Cumberland 67
Central Westevon 100, UNIC-Greensboro 78
Calumbus Cal. 72, Mars Hill 72
Davie & Elkins %, West Liberty 84 Oilliand 102 La Mayne-Owens \$6 OT Mession \$6. Bridgewater, Vo. 68

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Bond Sales

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Treasury Bills

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Foreign Bonds

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FAR WEST Nevado-Rano 18, Chico Siate 67 Seattle Pacific 72, Great Folie 66 Washington 71, Seattle 82 New Mexico 63, Howall 56

TOURNAMENTS First Round

Auburn 78, Oklobomo 78 Birmingbam Classic Texas Tech 85, Oklahama State 83, OT Vestern Illinois 92, Samford 77

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Consolidated Trading Of AMEX Listings

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Volume: 13,600,000 shares Year to Date: 951,900,000 shares Issues traded in: 1,032 Advances: 267 i declines: 590 ; un New Highs: 12 ; new lows: 64

Bank Stock Quotations (Closing Prices of the week's trading.)

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COMMONWEALTH OF THE BAHAMAS IN THE SUPREME COURT Equity Sida

IN THE MATTER OF
MERCANTILE BANK AND
TRUST COMPANY LIMITED
(IN LIQUIDATION)
AND
IN THE MATTER OF
THE COMPANIES ACT
(CHAPTER 184)
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Creditors of the above-named Company are required on or before March 15. 1979 for the purpose of proving their decits or ciains and of establishing such their credits or ciains and of establishing such their any as they may hove to priority under Section 159 of The Companies Act (Chapter 184), to deliver or send through the post their names and addresses and the particulars of their debts or claims in appropriate form, copies of which form may be obtained from the Official Liquidators of the said Company; to the Official Liquidators of the said Company of the Official Liquidators. Fallure of any creditor to send or deliver such particulars by way of proof to the appropriate form to the Official Liquidators on or before March 15, 1979 will result in such creditor being excluded from any distribution made before such debt is proved or, as the case may be, from objecting to such distribution.

D. Cross D. P. Hamilton Official Liquidators

U.S. College Basketball

Tournomen Bio Sun 5. Florida 73 Final Road

East Adelphi \$3, C.W., Post 64 Alfred 127, Elsenhawer 59 American 77, Delaware 68 American 77, Deloware 68
Baruch 78, Hunler 67
Bentier 78, Stonehill 68
Baston Coll. 18, Harvard 83
Buffada 51, 78, Wayne 51, 72
Cheyner 50, Shippensburg 46
Colgate 73, Howard 71
Darrimouth 61, Machattanvilla
Desettin 44, 51, Thoma 62 Derimoum 61, Maringtranville Dowling 64, 51. Thorn, Aq. 47 E.Stroudsburg 73, Millersville Elizobethtown 70, Juniota 64 Gannon 86. Sleubenville 75 Georgetown 96, Sl, Mary's (Md.) 38 Hartwick 70, Platisburgh 70 Holy Cross 110, Cincinnati 88 Hely Cress 110, Cincinnett 88 John Jay 64, Madger Evers 54 Jersey City St. 107, Ramado 92 La Roche 49, Thiel 38 LoSalle 97, Contistus 87 Northeastern 64, Moine | Oronal 64 Oregon 74. Vermont 61
Philo. Textile 64. Bloomsburg 55
Piti-Johnstwn 60. Cornegie-Mello

Pitt Johnstwn 60. Carneste-Mello Pitt 92. Indiana | Pa. | 65 Point Park 71. St. Vincent | Pa.) 53 Rhode Island Et. Manharitan 76 Rider 67. Corriland St. 53 Ruhgers 64. Princeton 51 St. John's 99. Brisham Young 63 St. Logent's | Pa.) 68. St. Peter's 64 Stetan Island 65. Queens 83 Susquehanna 61. Messich 61 Syracuse 67. Penn 81. 61 Sysavehanna 61, Messia Syracuse 67, Penn St. 58

North Sc. Villatives 26

South
Alderson-Broaddus-82, B fueffield 75
Bethamy 75, Ohlo Dominican 55
Chriz, Newport 67, Averett 65
Clemson 71, W. Corolino 56
Capain 71, W. Corolino 56
Capain 71, W. Corolino 56
Purmon 74, Marshall 61
Louisville 106, West Virginio 68
Maryland 82, East Corolina 71
Missistian 78, Mehamein 47 Maryland 62. East Carolina: Mississippi 70, Nebrask 67 North Carolina 70, Michigan Shebterd 64, Concord 52 VMI 73, Georgia 51, 72 VCLI 76, 5, Hillands 67 Va. Tech 91, Oto Dominion 58 Wake Forest 83. Appaiachian 51. 71

Adrign 73. Heldlebe Akron &S. Weigh 66 Aquinos 67, Kalamazoo 57

Ark.-Dine Stuff 79, UM-K,C. 75 Ark.-Liftle Rock 58, Lincoln 57 Ashkand 98, At. Vernon Narne 97 Boll 51, 83, Defroit 81 Briar Cliff 82, Southwest 51, 56 Brodley 65, Augustaves 63 Briar Citif 20. Southwest \$1.56
arediev 65. Augustanet 63
cont. Teochers 70. Cont.. Sem. 58
Conton 74. Boldwin-Wolface 73
Defloren 105. Manchester 72
DeFoul 64. Wisconsin 78
Droke 107, Memphis \$1.91
E. Illinole 103. 51. Joseph's 75
Evangel 64. Alissouri Western 57
Findiav 64. Honover 42
Illinole 103. 51. Joseph's 75
Evangel 64. Alissouri Western 57
Findiav 64. Honover 42
Illinole 82. Kent's 14. 44
Indiana 68. Kenthucky 67
Indiana 51. 107. Butter 71
Jawa 95. Ill Western 53
Iowa 95. Ill Western 53
Iowa 51. 77. NW Malssouri 54
Kontaco 77. So. Methodal 64
Kentucky St. 70. Chicago 51. 67
Lovalo 73. NIU 84
Mankoto St. 74. Michigan Tech 58
Marnette 10. 150. Cleveland 91. 58
Michigan 10. 50. Cleveland 91. 58
Alichigan 10. 60. Cleveland 91. 58
Alichigan 10. 10, Cleveland 91. 58 Midmi I C. I. St. Clevelora St. 58
Midchipon 104, W. Michigon 73
Monitons 61, Kansts St. 60
Neb.-Omaha 93, Keorney St. 87
N. Michigon 118, Ind.-Purdue 31
Ohio L. 86, Youngstown St. 77
Quincy 86, III. Benedictine 35
Rockhurst 51, SIU-Edwardsville
Rose-Hulmon I Ind.) 79, Kenyan 7
Salem (W. V. J. 78, Marcietta 73
St. Cloud St. 48, St. Thomas 64
Toledo 74, E. Michigon 42
Tri-Stote 60, Marion 57
Upper lowe 82, Morvorest 71
Wovne St. 83, Midland 75
Woshburn 101, Baker 68
Wittenberg 89, Hiram 41
Wm. Jewell 97, Neb. Walyn 70
Wm. Penn 97, Columbia Coll. 42
Wright St. 112, Otlerbein 94
Southwest

Arkonsos 77. Centenory 57
Boylor 87. Stablen F. Austin 56
E. Texas 57. E. Central Okid. 46
Henderson 14. Ark. Coll. 71
John Brown 77. Harding 78
New Mex. 124, Central Fig. 92
Nicholis 81. 84 Millenstens 57. 73 Nicholis SI, 84 Midwestern St. 77 Nicholts St. 24. Michaestern St. 77
North Texas 95. Largnar 89
Oxic. Christin 63. 5W Chicharma 61
Oxic. City 86. Tex.-Artilington 85
Oxic. Bapt. 99. SW Baptist (Ma.) 74
Signto Fe 92. Mesa 80
SW Texas 92. NE St. IOkic.) 64
Texas 46. Hordin-Signarous 58
Tex. Wittin 64. Abilitare Christin 82

Arizona St. Fl. No. Arizona 52 Boise 51.94, Great Falls 55 Cal. St.-Northridge 86, USIU 54

College Football

Gorden State Botel
Arizona St. 34, Rutgers 18
Independent NCAA Division in Planer Bowl
Planer Bowl
Floride ASM 35 Massochusetts 25
NAIA Division I Fisal

Angelo St. 34, Elon 14

Currency Rates

By reading across this table of the December 15, 1978 's closing inter bank foreign exchange rates, one can find the value of the major currencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

 5
 E
 DM*
 FF
 LX:
 Cldr.
 BF com.
 SwissF.
 Dma.Rr.

 2.054
 4.069
 108.38 *
 47.12 *
 0.2428 *
 6.848 *
 121.705 *
 38.96 *

 29.945
 59.955
 15.83 *
 6.889 *
 3.544 *
 14.61 *
 17.809 *
 5.692 *

 1.98125
 —
 3.748 *
 8.601 *
 1.672 *
 4052 *
 59.35 *
 13375 *
 10.418 *

 846.45 *
 1.676.40 *
 446.59 *
 194.45 *
 —
 412.30 *
 282.3 *
 202.33 *
 102.48 *

 1.684 *
 3.34 *
 89.0005 *
 38.825 *
 0.19895 *
 32.15 *
 5.6227 *
 —
 31.94085 *

The following are Dollar values as quoted on the London foreign exchange market; Danish Krone; 5.26425; Escudo; 46.70; Israeli f.; I8.635; Pescus; 11.275; Schilling; 13.865; Sw.Krona; 4.4065; Yeo; 195.775; Norw, Krone; 5.1155; Fin Mark; 4.026; Belgian Financial Franc; 30.36; Hong Kong S: 4.7925; Singapore S: 2.1695; Canadian S: 94.765 U.S. cents.

(c) Commercial Franc. (*) Units of 100. (x) Units of 1000. (y) Units of 10,000. (z) Amounts needed to buy one pound.

GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE G. I. S.

A Company with a fully paid abare capital of 600,000,000 French France Head Office: Shis, Rue de Madrid, a PARIS (FRANCE). Commercial Register: Paris B 552 075 087

FIRST NOTICE TO HOLDERS OF FLOATING RATE

BONDS 1978-1983 OF U.S. \$1,000

The boodbolders of the international floating rate loan 1978-1983 issued by the GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE G.LS. are convened to an Ordinary Ceneral Méeting to be held at 5his. Rue de Madrid, Paris (France), on January 5, 1979, at 3 p.m., in order to consider the following

tives, designation of the substitute representatives.

Determination of the bondholders' representatives' capacities and of the indemnities given to the permanent represent-

To permit the bondholders to attend at to be represented at this meeting, the bonds or their deposit receipts, must be deposited at least five days before the date fixed for the meeting, at the offices of the banks having participated in the placing of these bonds and from whom proxies or admission cards can be requested. This meeting shall be validly held if the holders of 25 per cent of the standing bonds are present in person or represented.

The Board of Director

amro bank

7½ pCt bearer Notes of 1973 due 1977/1980

AMSTERDAM-ROTTERDAM BANK N.V. Amsterdam

INSTALMENT

having fallen due before)

As provided in the Terms and Conditions

Amsterdam-Rotterdam Bank N.V. (Central Paying Office) in Amsterdam

Euromarket. (Continued from Page 7) Frankfurt bank closely associated with the German trade union movement. The \$100-million issue matures in January 1989, hut oote-holders have the option of extending the maturity to 1994. The issue bears semi-annual interest at 0.25 points above six-month interbank Eurodollar offered rates. For the first 10 years a minimum coupon rate of 5.5 percent is guaranteed but thereafter there is oo minimum. According to some sources, the

issue was selling slowly. "It's too large and too long-dated," one dealer said. The market for Deutsche-mark Eurohonds was more or less on an even keel last week and some of the new issues were warmly received. Although the U.S. Treasury raised 3.04 hillion DM in the domestic

market with three- and four-year notes yielding respectively 5.95 per-cent and 6.20 percent, the generous rate did not appear to affect the yield structure of the external bond

New Zealand Bonds

A 200-million-DM, 10-year New Zealand government bond issue was successfully sold at par bearing 6.25 percent or only five hasis points more than the four-year U.S. Treasury issue. In the aftermarket. the New Zealand bonds were quot-

ed at 98.75-99.25. Also offered was a 60-millioo-DM, seven-year issue of the Nordic Investment Bank in Helsinki at 99.5 bearing 6.25 percent to yield 6.34 percent. However, it was quot-



FORUMDES HALLES du 12 décembre au 3 janvier Avec Jean-Baptiste THIERREE

et Victoria CHAPLIN

LE CIRQUE **IMAGINAIRE**

Renseignements 233.60.96



Acdmy InsGp AmBkrinsFio 3 ABkrLiFto 24 AmCapila 12e AmCwithFn Amic Micle 08 Aminimum Life Aminimum 14 Aminimum 14

ClubbCorp 2.20
Callege Univ.25
Calonit FeAcc. Ad
Columbia Nati.18e
Cambin Sam 1.20
ConnGenins 1.08
ConiAmi.lie 1.24
Cotta 1.08
Coriterion Ins.60
Ourhami.lie 1.40
ERCCara 1
Eldorado Geni
Emp FirMer 50
EmployerCas 1.10
EsailifeenCa.92
Eaulil fow 1.20
Bzcelsiorn Y 28
Ercmund 1.25





LOCATION OUVERTE POUR LES RÉVEILLONS

ed afterward at a fairly large discount of 98.25-98.75.

A star performer turned out to be a 150-millioo DM, 10-year Brazilian government issue bearing 7.25 percent which was raised from 100 millioo DM hecause of stroog demand. Priced at par, the issue was quoted at 99.75-100. Accounting for the issue's success is a hilateral tax convention between Ger-many and Brazil that allows domestic German institutions to purchase such bonds with favorable tax

Underwriting sources were expecting a syndicate led by Deutsche Bank to shortly launch a 200-million-DM, 12-year issue for the European Investment Bank with a 6.5-

percent coupon. Meanwhile, a syndicate led by Westdeutsche Landesbank issued a 150-million DM, 10-year Norges Kommunalhank issue. Guaranteed hy the Norwegian government, the issue provides a sinking fund starting after four years, which will reduce the average life of the amount

outstanding to a relatively short 7.5 Kredietbani: SA Luxemhourgeoise

Westdeutsche Landeshank is Ltd. Co-managing the domestic also handling a 50-million-DM. 10-portion of the issue, equivalent to year issue of Union Bank of Fin- \$8.8 million, are Girozentrale und land, which has an indicated Bank and Oesterreichische Landescoupon rate of 6.5 percent and an

average life of 8 years.

A syndicate led by Creditanastalt-Bankverein in Vienna is offering what might be described as a hybrid between a Eurobond issue and a foreign issue in the sense that most ol it is being floated oo the Austrian capital market but a portion will be marketed outside Austria by five traditional Eurobond uoderwriters in other countries.

The 400-millioo Austrian schilliog, eight-year issue of the EIB will bear 7.75 percent and be priced at 99.8 to yield 7.78 percent. A purchase fuod starts in 1981, which will reduce the average life to 6.75 vears if fully exercised. The hanks marketing the issue

outside Austria are the Abu Dhabi

Investment Co., Banque Bruxelles

bank. Eurobond Yields* Week Ended Dec. 15 International institu-

tioos Industrials, long term.... Industrials, medium term Canadian dollars, medi-10.32 % um term French franc, loog term 10.36 % Unit of acc..long term 8.13 %

Market Turnover Week Ended Dec. 15 (Millions of U.S. Dollers) 727.60 469.50 231.10 1,518.3 1.254.6 263.70 Eurocl.

Lambert, European Banking Co., INTERNATIONAL BONDS

(a weekly list of non-dollar-denominated issues)

	la neen	is test of non-abuta des	wii	muneu	Laboures)			
OM Bands		Units of Account	t		Texasgulf 10-86	9874	98%	
(average prices)		DM Bosis			Torento Dominion 9-82.	961/8	9670	
Arbed 6-4-87	98.75	Comm Urb 8-86 14	14 00		Union Corbide 94-86	987/2		
Asiat Entwicki, BK.7-85	102.5U	CCA8-86 14		_			499.50	
Austrolien 534-89	97.60	Cred Nat 8-86 14	14 00		European Currenc			
Brosillen 734-84	102.00	Oenmark 8-86 14		_	S.Africa 8-84			
Brosilien 634-85	99.25	E.S.B. (1rl) 84-86 14			E.N.E.L 7.4-86			
CCE 7-89	103.50			-			10120	
N T 7/4-83	104.00	Escom 814-86 14	4.50	-	Eurofimo 74-81		10.00	
	104.50	Manilaba 7-89 14		_	Interfrigo 7/2-86		104.00	
F P 81/2-85		Noncy 8-86 14	6.00		Far trading in t)M		
	103.00	Norges 74-86 14	6.00	_	French Franc			
CNP 6-87	99.50	Reed 634-86 14		_			04 00	
Eurotom 574-87	95.50	S.O.R. 8-86 14	7.50	-	BASF 715-87			
E I B 64-84	104.40	Apel 912-85 10	3.00	104.50	CNA 994-87			
E I B 6-89	98.00	Coffraute 9-89 10			CECA 1092-82			
Eurofima 8-83	110.00	Cop City7-93 9		96.50	Charbannoges 1014-82.	101.50		
Eura1lma 6/2-88	101.75	Cop City 814-86 10	3.00	104 50	Clm Lafarge 71/2-87		83.50	
		Cop City 94-85 10	3.00	104.50	Cred Fonc 10/4-82	101.50	102.50	
Europarat 7-83	106.90	Cop City 10-79 10	2 50	100.00	EIB74-88	82.00	83.00	
Europarat AV4-87	04.99	C.C.A. 914-85 10	4 66	105.50	Poribas 104-82	101.50	102 50	
W G 714-83	03.60	Co- Tol 04-65	4.00	103.50	Peugeol 10-83			
Finnland 7-87	101.00	Cop Tel 9/2-85 10			Quebec Prov 7/2-87	87.75	84.75	
Farsmorks 534-90	94.50	Enso 9/4-84 10			Rhone-Paulenc 10/2-80			
Sen Zentralbk Wien 6-87.	99.50	Funen Tel 9-84 10			\$1. Gobaln 10-80			
lydra Onlaria 6\2-87	102.00	G.I.S. 94s-83 10	0.00	101.50	Warld Bank 7:4-57	93.75		
A D 7-87	101.50	Helsinki 10-83 10			War io ballk / w-o/	73.73	74,73	
A D 614-88	98.70	Iceland 814-88 9			Guliders			
C 1 714 07		Iceland 914-86 10		104.50	ABN 91/2-79	99.75	100.50	
C 71/2-87	105.75	Iceland 10-94 10	9.00	_	AMRO 912-79			
C I 674-87	104,00	Imotron 81/2-87 10:	2.50	104.00	Arbed 614-80	97.00	97.75	
lingd of Osnmark 6-88	97.90	Imairan 934-85 10	4.00	105.50	BP 6-79	97.75	98.50	
ingd af Denm 514-84	99.00	Ind M Bk 91/2-83 10	1.50	103.00	Cans Foods 61/2-80	97.25	98.00	
dbe 6/2-87	104.65	Ireland 914-82 10	0.00	101.50	Eurofimo 54-79		98.00	
Copenhagen 7/2-86	705.00	Ireland 934-84 10	250	104.00	EIB 9/2-79			
Aantreal 7-87	101.20	K.L.I. 7-4-93 9	900	100 50			98.50	
leuseeland 71/2-86	103.25	Manitoba 914-85 10-	4 00	106 60	Govett 61/2-79	97.75		
(eusee) and 7-87	102.65	Oslo 8%-92 9	0 50	101.00	Hall Inn 6/2-79	98.25	99.00	
leuseelond 514-86	95.90	Osla 914-85 10:	200	101.00	KLM 6-79	97.74	98.50	
larg Kammunalbk 6-89	97.50	Onle 10 01	100	103,30	Ned Gas Un. 974-79		100.75	
(orpipe 6-89	98.75	Osla 10-81 103			New Zeland 644-79		99.75	
larsea Gos 7-89	101.50	Pechiney 814-89 91			Philips 6-79		81.50	
larsk Hydra 634-89	102.75	S.O.R. 7-93 97	7.00	98.00	Sperry 672-79		100.00	
esterreich 64-85	104.25	S.D.R. 91/2-87 10			\$1. Brands 642-79	97.75	81.50	
uebec Provinz 7/2-87	103.65	S.D.R. 914-85 103	2.0Q	103.50				
vebec Hydra 61/2-87	100.85	S1. D11 Ind. 8-88 100	0.50	102.00	Luxembourg Fro			
vebec Hydro 64-87	100.50	Swed State 914-85 103	3.50	105.00	Asion Bonk 64-87	90.00	92.00	
anka Sleamship 8/2-84	100.30			1	E18 7086		96.75	
anka Sleomship 7-84	103.85	Conadion Dollars			Burmah 7-86		88.50	
chweden 6-89			4-7-8	96%	Cons Eur 7-87	87.50	91.50	
oest 634-89	98.75	Ford 914-83	96	96¥2	Denmork 64-87	90.00	92.00	
Vel1bank 634-87	101.70	GMAC 914-83	96	96V2	Gr. Mel.Hol. 674-87	86.50	88.50	
Velibert 0 90		Hudson Bay 104-51	99	9934	Finland 7-87	90.00	92.00	
Veltbank 8-82	107.75	Manitaba 914-85	97	98	ISE 61/2-87	94.00	96.00	
Veltbank 61/2-85	101.00	Royal Conada 972-88 9	6V	96%	Reed 6-14-57	84.50	86.50	
Veilbank 574-90	93.30		83	9876	Slater 7'4-87	75.00	_	

		Insuran	ce Stock	KS	
134		FstExecCp	1 4% 5%	NotLileFig 25	263 834 914-
742	7%	FstFederLfe .40	246 1154 1276	NatOldLine .32	e7 75 77
974	97%	Feltiding	4 176 254	Nai Resry Li <i>S</i> oi	1517 16
210	24+ 1	ForemstAmer .40	24 1S% 1114	NatSecins .12	1319 15
	1 13-14	FortuneNot a	3 24	NatWestn L1	26 649 679
84	9 — 4	FoundtnFnICp	5 3/0 2/0	Va Notlanwide A 50	151 184 1942+
574	ولا سياة	FounderFini .05e	25-1429-16	NJLite Co	40 14 14
24 4	254	FrenklinLife 1.12	462 27 27/2-		16 18
4934	5074-174	GenReinsur 2.60	81 181 185	NorNatLie . 10e	5 6'7
346	37%	GeoWoshtnCo	4 2 344	Naws Not Life 88	14 25% 26%
1174	125a— 5m	GlabeL teAc .36b	سينا 21 ≟40 99 99		82 2614 26-73-
11/2	244	GoviEmpine 20	665 574 61a-		137 22% 23%-
34%	3514 Ya	Gov1Emp wt	136 176	PacSto Lite	10 21/2 274
24	234	GovEmp pf.74	85 1214 1212	Pensirins 20	36 10 10%-
211/2	274	Govi Empt te .40	5 131/2 14	Penn Life	411 614 615-
796	7%	GISouthnCp1.04	157 53% 54%	PledmiMan .14	612 74
614	644 14	Guaranly Nati ,40	46 1214 14	PreferdRisk .40	27 12% 13%
44	492 Va	Honoverins 36	43 231/2 23 -	1/4 Pres Life	5 5%
14%	14%	HarttoStmBI 320	1 54% 55%	ProtectiveLte 1.20	5 32% 23%
1572	111/2	HomaBenel .84	2134 2234	ProvLfeAcc 1.08	31 42 4312-1
231/2	24	IndpLblyLte	14 2 +		2 1834 1934
7	772 + 78	IndepLteAcc.96	36 161/2 1676-		88 1474 1434-
1034	1134	IndionoGrp £0	79 23% 35%	Ryanins Grp.16	21 23
5	6	infrcontLig.13e	354 412	SRICa 1.32	16 25 27 —1
4 4	5V:	Interfinct 1	7 1814 19 +	Vi SolecoCorp 1_50	147 27% 27%—
224	34 4 - 1g	IniLfeHid	42 21/4 234-	V _a SIPaulCos 1.80	231 331/2 34
371/2	39 + 12	InvHerJIKv .24	1114 121/2	SecurAmLife 40b	
16%	179a ka	invesiorsing	30 1 3-16 1 3re1	-16 SecurConn Lie	11 11% 15 20% 22 +
615	7	inviinsHid .17e	71/4 81/4	SecurL teAcc 46	16'> 17%
1414	17 - 14	JeffrsaNaILI .40	1612 17	SecurLifeGg .46	23 104 104
35%	3574	KonsCityLie 1.60	54 55	SconerLin 20b	7 5
181/2	20	KemperCorp 1.50	44 294 40 -	50uUnAlg .15e	5\7 57e
5%	43/2	KvConlille .40	12 1414 1434	SouthlandFin 40	76 15 1512
1965	201 ₂	LomarLite .65	231/2 24	SowsinLile 28	406 1034 1914
4114	4214-14	LibriyNotLie 1	232 2134 2214	SovereignCp .10e	4 4 435
33	34 -114	LifeAm Bos1.05e	274 314	SiLifeIndigge 30g	15% 16%
- Ve	1/2	LifeInsGo 1.44	42 27 381/2-	4 StotesmGro 19h	3 5% 634_
1414	1434	LifeInvinc .16	240 10% 15%+	36 Transprille 32	44 934 934
311/2	33	Lifesurance	z3 67 % 67%	Unicog	26 30 +
461/2	48	LincincLi .48a	1 14 16	UnliDiversito	67 % 1
25	26	LayolAmLie .40e	47 20 21 +	1 UnFireCasi: 1	1 24 26
12%	13%	MCMCara .12a	5 714 774	UnPrest te s	415 479
B34	934	MassGen Life	7 3½ 4¼ 7 27 29	UnitSvLI III	45 154 254
23	23 tz Va	MercuryGeni 40		UniiSvcLife .72	107 16 to 16 1/2+
171/2	154 4	MaridnLie 52	812 914	Vico Carp3c	J 15-16 (1-16
6-16	634	ModrnSecL .20e	194 21/2	WashnCasSur 1.40	16 31 3142-
263	2474+ 15	MonorchCop .94	90 171: 18 —		2 15 16
776	10/e	Monument Cp.92		12 Windsor Life	0 174 274
1814	194 4	MoiClAmins.14	414 514	WidsvLfCol	15 41/2 5
14	15	MulSovLie .80	181/2 187/2	ZenithNat Ins.30	26 1212 13%
1245	131/2	NNCorp 2	38 38 2 29 .	Zeniih Unijed	3 412
	-				

Consolidated Trading

Of NYSE Listings

es: 545 : declines: 1,337 : unchanged New highs: 15 : now lows: 197

This week.
Lost Week
1777 some wrek.
1778 lo date

110.150.000 shares 117,100,000 shares 101.670,000 shares 5.018.160,000 share

Dfls 70,000,000

THIRD ANNUAL REDEMPTION

(Redemption Groups No. 3 and 4)

Redemption Group No. 2 amounting to
Dfls 17,500,000 has been drawn for redemption
on December 1, 1978 and consequently the Notes belonging to this Redemption Group are payable as from

February 1, 1979

and Banque Générale du Luxembourg S.A. in Luxembourg.

December 4, 1978:

SURE THAT'S

WELL NOT

SO MUCH AS

TO CAUSE A

STIRINTHE OFFICE.

HOW DO YOU KNOW THAT?

HOW

HE DO?

IF YOU'D CARE TO

A DRINK, SON-

RIGHT?

COURSE

I'M SURE

WHERE DO YOU WORK?

I WONDER

A FOLDING

UMBRELLA.

PETERS

EXTRA STARCH

SHE'S ALWAYS MAD KEEN TO KNOW WHERE E'S BEEN

S GOIN' BACK THERE

YOU'RE

AGENIUS,

Swoth

WHY YOU'RE

UPSET,

12-18

YES! I DID

YOUR WATCH LOOKS LIKE

IT CAME OUT OF A

BOX OF KRUNCHY

GIFTS

if that includes

WHAT'D

400

SAY?

AT HOME.

IT'S ALL ABOUT

SANTA CLAUS AND

PRICE

RANGE

HAVE IN MIND

MORE THAN YOU CAN

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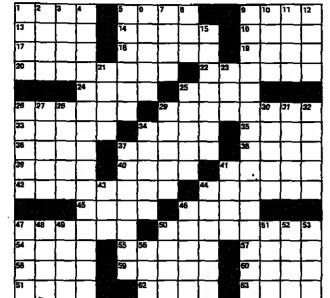
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_By Eugene T. Maleska

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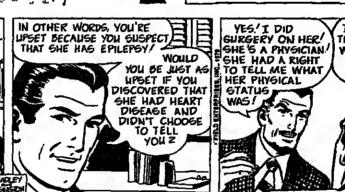
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UNFORTUNATELY

YOU ARE ONE OF THE EVERY OTHER

ONES, MY DEAR



CLOUDS GATHER AT LAND, HO!

THIS IS WHAT THEY CALL THE BOTTOM LINE, JOEY ...

DENNIS THE MENACE

12-18

SO DON'T BLOW IT!



I'M WORRIED ABOUT CHAIR.

MAN DESMOND AND PRESIDENT WIGGERS, HONEY. THE COMPANY LOOKS

PHONY.



Print answer here: Junibles: MEALY CUBIT NEARBY MODEST Answer: Out of Jail-and Ill in bed - "B-AIL-ED"

Imprime par P.1.O. - 1. Bd. Nev Paris 75018



A GOOD SCHOOL

By Richard Yates. Delacorte-Seymour Lawrence. 178 pp. \$8.9

LOVE KILLS

By Dan Greenberg, Harcourt Brace Jovanovich, 277 pp. \$7.95.

Reviewed by Christopher Lehmann-Haupt

WE GET in Richard Yates' thoroughly charming new novel, "A Good School," what seems at first a familiar brew memories of boarding school days, memories of boarding school days, with the school in question, Dorset Academy, a pathetic parody of a New England prep school on its last financial legs; and the bero and author's persona, William Grove, a perfect wretch of a boy, at least as seen through the eyes of his French teacher, Jean-Paul La Prade: "His teacher, Jean-Paul LaPrade: tweed suit hung greasy with lack of cleaning, his necktie was a twisted rag, his long fingernails were blue and be needed a haircut. He seemed in danger of stumbling over his own legs as be made his way to a chair, and he sat so awkwardly as to suggest it might be impossible for his body to find composure. What an advertisement for Dorset

Academy."
Need I add that this teacher "French" LaPrade, is sleeping with the wife of the chemistry teacher, a victim of polio so ill-coordinated that he cannot achieve suicide. Or that barely-concealed homosexualithat barely-conceased nomosexuality runs through the student body like a fever. Or that the school's beoefactress, Abigail Church Hooper, makes a speech at the end denouncing World War II as part of Roosevelt's "plan to turn us all into Communists and Negroes."

And wer what starts out sounding

And yet what starts out sounding like an act of vengeance on Yates' part ends up being something entirely different. Somehow, he manages to avoid bitterness, indeed to veer so far from it that he sometimes skirts the edge of sentimentality. But be steers clear of that, too, and what we end op with is both funny and touching, both lik-

able and ludicrous. How does he accomplish this? With the sort of delicately balanced writing that is best illustrated by an editorial that appears in the school newspaper, written by the now-redeemed Bill Grove as a "salute" to the bankrup1 school's eventual fate. "It is fitting that Dorset Acad-emy, on delivering its final senior class to the war, will now serve to accommodate blinded army veterans. Men who have lost their sight in combat can hardly be expected to take comfort in a greeting of any kind as they feel their way into a dark and bewildering new place; even so the Class of 1944 would like to offer them this assurance: There is nothing to fear here. We bere before you have seen it all.
"We have seen the play of sun

Solution to Friday's Puzzle

and shadow on the blood-red stone and sweeping slate of these beloved buildings. We have seen the trees. We can watch one another rise today to take our diplomas: we can remember how each of us looked in saying goodbye. Our visioo will guide us through military training, but soon, as we move out to the battlefroots of the world, there will be no further certainties. We will enter our own time of blindness— if not in the physical, surely in the spiritual sense of the word. And when we come back, if we come back at all, it will be to find our-

selves forever changed "You, the young soldiers soon to occupy our dormitories, have far less reason for bope than we do, but our bope is qualified, too; and so in the spirit of comradeship, we salote you. Welcome veterans, blind though you are, embittered though you may be, rest well here and learn what you can. This place

Like the novel itself, this editorial is a masterly blending of incoo-graities. It barely avoids bad taste. It is nearly comic in its puppyish ineptness. It is also on the verge of being very good, and could only have been dooe by a young writer who will grow up to create a novel as effective as "A Good School." in the end, the book's title is not so

Worth Reading

Dan Greenberg's oew oovel, "Love Kills," is the other way around, you might say; a book that doesn't amount to a great deal, but whose parts are so effective that it is worth reading. The bad news is that it concerns a psychopathic killer of young women who calls himself the Hyena and enjoys the attention of a newspaper columnist named Johnny Monahan.

But before you go away offended at the notion of another exploitation of the Son of Sam case, consider this: The Hyena is not jost a mad, automaton who stalks ran-dom women, talks his way into their apartments, makes them "trip the light fantastic" with him to the sound of Sammy Cahn's "Teach Me Tonight," and then kills them out of his twisted love. There is a key that will diffuse him, so that with each succeeding assault, as the victims come closer to finding that key, the story gets more exciting.

Moreover, there is a psychic in
the mix, a most believable young

woman who receives vivid premonitions of the next victim and the manner in which she will die, which justifies all sorts of tricky but effec-tive leaps back and forth in time. And there's a lot of grim New York City humor that gets extremely fun-oy at times. Altogether, Greenberg has welded together his cliches very cleverly. So if you pass up the book on grounds of taste, you'll be mak-ing a mistake. For better or for worse, "Love Kills" thrills.

Christopher-Lehmann Haupt is a book reviewer for The New York

By Robert Byrne

against nebulous attacking chances.
That is their purpose — to force the defender out of routine schematic thinking into a realm where it's necessary to be original.

Often a dubious gambit may thus bring out the defender's worst qualities, perhaps a smug greed that is blind to danger or panic in the face of what may be only ghosts of checkmate. of checkmate.

In the game between John Nunn of the English team and Edwin Bbend of the Swiss team from the 12th round of the World Chess

12th round of the World Chess Olympiad in Buenos Aires, Bhend's miserly hoarding of material was responsible for his downfall.

The old Lasker variation (5. P-K4) of the Sicilian Defense leads, io its main line, to a complex struggle after 10. P-B4 in which Black cedes his Q4 square for a powerful white knight outpost, getting in return dynamic counterplay with quick development and the bishop pair. Black has had so much success with this in the last several success with this in the last several years that recently a few players have experimented with the wild

sears that recently a few players have experimented with the wild gambit introduced by the piece sacrifice 11 BxP!?

The major question that arises after 12 NxP is what Black should do about his insecure king in the center and his threatened QR. The idea of using this rook aggressively with 12. R-R5 has not worked well—in the game between Karoly Honfi and Leoo Piasetski, Subotica 1978, Black had not solved the problem of his king's defense after 13 N/N5-B7ch, K-Q2; 14 0-0, RxKP: 15 Q-R5, N-K2; 16 QxBP, K-B3; 17 P-QB4!

To avoid a disturbing check, Black can play 12. R-R2: 13 NxR, NxN, which should lead to an exciting race between White's attempt to promote a queenside pawn and Black's attempt to use

his supply of minor pieces for a mating attack. But maybe Black's best option is a savage countergambit with 12...Q-N4!?; 13 N/Q5-B7ch, K-Q1; 14 NxR, QxP: 15 R-KB1. QxKPch; 16 Q-K2, Q-QR51, which led to a sharp Black victory in the game Honfi-Horvath, Subotica 1978.

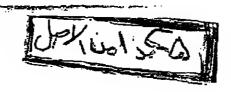
Bhend's attempt to keep all the marbles with 12...R-QN1 permitted 13N/N5-B7ch, K-Q2; 14 Q-R5. threatening 15 QxP/5mate. It was easy to squirm away with 14...N-Q5; 15 Q-Q, K-B3, but the black king was still far from safe.

After 17 P-QB3, Black should have fought out of the grip of the white knight with 17...N-N4, although 18 NxN, RxN; 19 P-QB4 would have left the black king precariously placed no matter what Black played.

On Nunn's 18 P-N5ch, it is unlikely that Bhend could have defended himself by the exchange sacrifice 18...RxP; 19 NxR, KxN/N4, but he should have tried it. Conserving his material with 18...K-N2 allowed 19 P-N6, Mc cementing the white knight.

The decisive blow was Nunn's 22 P-N7!!. pre-empting the black ing's last shelter. Bhend had a brief delay of execution with 22 MxR, he resigned, since 25...N-Q6; 23 QxP, N-B4, 24 Q-SR, RxR, he resigned, since 25...KxR; 26 Q-N5ch, K-R2 would have set up 27 Q-N6-mate. Gambits intensify the difficulty of making decisions about the comparative value of material as best option is a savage countergament.





down came oo a 30-yard Weese pass to Riley Odoms with less than two minutes remaining.

Washington Misses Playoffs

Bears Defeat Redskins, 14-10

WASHINGTON, Dec. 17 (UPI) downs — as Denver crossed into goal in the final period to bring – Steve Schubert returned a punt Pittsburgh territory for the first Denver within 11 points of the 3 yards for a touchdown and Walter – before hitting – Steelers. The Broncos final Wasser

WASHINGTON, Dec. 17 (UPI)

— Steve Schubert returned a punt
73 yards for a touchdown and Walter Payton ran 44 yards for another score yesterday to help the Chicago
Bears end the playoff hopes of the Washington Redskins, 14-10.

Jean Fugett caught a deflected pass from Billy Kilmer for the Redskins' only touchdown with 1:19 left. Mark Moseley got the Redskins first points with a 33-yard field goal on the final play of the first half.

Washington (8-8) held a slim chance of gaining the playoffs as a wild card entry. The Bears finished

the season at 7-9.

Kilmer, 39, replaced Joe Theismann during the final eight minutes. Theismann had completed only 13 of 21 passes for 107 yards. Kilmer completed 8 of 10 for 91

Fullback John Riggins became the third player in Redskin history to rush for more than 1,000 yards

in a season, gaining 44 to finish with 1,014.

Payton took over the NFL rushing lead with 90 yards on 16 carries to give him 1,395 for the year.

Kilmer's touchdown pass to

Fugett was the Redskins' final

gasp. Kilmer threw toward wide re-ceiver Ricky Thompson in the end

zone and the ball was deflected sev-eral yards away to the tight end. The Bears had scored three min-

utes after the opening kickoff as Phipps passed 7 yards to Payton and 14 yards to James Scott before

Payton went the final 44 yards around left end, knocking down

Redskin safety Jake Scott en route.

Steelers 21, Broncos 17

At Denver, Terry Bradshaw, who saw ooly first-half action, threw two touchdown passes to became the first quarterback since the

NFL-AFL merger in 1970 to throw

28 scoring passes in a single season, lifting Pittsburgh to a 21-17 tri-

umph over Denver.
The Broncos, who trailed throughout the game, threatened to

score a game-winning touchdown

with seven seconds remaining when Pittsburgh was called for interfer-

ence on a pass from Norris Weese-

to Rich Upchurch in the end zone.

The ball was placed on the 1-yard

line, but Denver's Loume Perrin was stopped by the Pittsburgh

pass with less than four minutes re-

maining in the half. The pass tied

Ken Stabler's post-merger record of

second quarter, Bradshaw found Jim Smith alone in the end zone

from 10 yards out to push the

Steelers ahead, 21-0.

Then, with 14 seconds left in the

defense.

All Blacks Beat Barbarians in Stunning Finale

By Bob Donahue

CARDIFF, Wales, Dec. 17 (1HT)

— The rugby match of the year riespi its promises. A singing full ans evened the score in the 37th The rugby match of the year kept its promises. A singing full house at Arms Park got a dramatic finish to hoot, when the Barbarians brought the best out of New Zealand's All Blacks yesterday. The Blacks deserved to win, 18-16.

In the 23 minutes before the first score, the patchy collection of Welsh, English, French, Scottish and Irish all stars proved that they were a team. Allan Martin and Bill Beaumont at the lineouts, booker Peter Wheeler in the scrums, flankers Jean-Claude Skrela and Jean-Pi-erre Rives in defense, a confident Phil Bennett at flybalf and fullback Andy Irvine, running with superb balance, added up to a threat of a quality that New Zealand will not see again soon.

Those early minutes also sig-naled that the placekicking of All Black fullback Brian McKechnie was off target. And that the Scottish referee. Norman Sanson, would play a more activist role in the match than a referee ideally should. But mostly, they showed New Zealand's entire determination to pass and run.

McKechnie attacked outside his left wing, the Blacks ran the hall at successive penalties rather than times to make it across on the right, and it was prop Brad Johnstone who hucked his way over through the pack. The crowd gamely applauded the All Blacks, as it was to

led by capiain Derek Quinnell and Rives. Center Roger Hutchings chipped a perfect kick ahead for Mike Slemen to kick on and touch down. Just before half time. McKechnie kicked a penalty — his only success in six attempts yesterday, including three attempted conversions: 7-4.

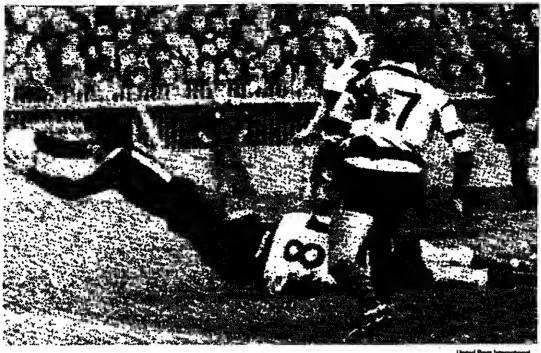
Johnstone went off. The New ealanders later said he bad trouble breathing due to recent hron-chitis, but his replacement was an extraordinary public relations coup. Because on came John Asbworth, 230 pounds, who three days before bad stood twice on the face of Welsb captain J.P.R. Williams, piercing his right cheek with a clear. The crowd roared in angry surprise — then quickly forgot in the thrill of a great game.

False Expectation

The expectation at this point was that the All Blacks would take over and win by 20 points. Instead, the scratch Barharian pack shoved them back in the first scrum of the second half, and a Bennett penalty evened the score for the second

time. New Zealand replied within a kick for points, wing Bryan Wil-liams failed for the first of three minute. flanker Leicester Rutledge scoring after a break hy scrumhalf Dave Loveridge and a forward drive completed by lock Frank Oliver. Four minutes later, in the 13th minute of the half and after do twice again.

The Welsh singing began in the another 15-man New Zealand orgy of perpetual-motion attacks, Wil-



Bryan Williams scores for the All Blacks, with Derek Quinnell making the tackle.

trams went tight after a scrum and was over at last. The four points gave him a career total of 401 for New Zealand.

up a loose ball one-handed and at In the 42d minute, flyhalf Eddie Dunn dropkicked the goal that made it 18-16.

Barbarians ran their bearts out:

After a 3-month tour, with 17 of

At 15-7, the avalanche seemed to have begun. Rather than lock up the match, New Zealand played the riskier open game till the end, un-concerned by still another Barbarian interception. Soon, center Jim Renwick dropped the ball as he crossed the line, but the Barharians were now close. At a tapped penalty. Skrela, impeccably carrying out the second of the Barharians' three secret penalty plays, passed long to Slemen, who got his second try.

This time Bennett converted, from the far left. It was 15-13 with a quarter bour to go. New Zealand's Stu Wilson slalomed while the startled crowd sang again. Irvine hit the crossbar with a penalty from 53 meters. Bennett scooped

scrumhalf Brynmore Wlliams, right wing Elgan Rees, Slemen. In this pressure, Oliver gave up a penalty and Bennett took the kick. "He can't miss this ooe!" shouted a can't miss this coel" sbouted a Zealand way of seeming to be eve-faceless voice, to make certain; 16-15, the Barharians ahead, the end ahead as usual, the Blacks will near. "Blow that bloody whistle, ref!" And then, shouting to himself and the crowd when McKechnie took a penalty: "Keep your eyes

closed? minute. As the game entered injury time, the Barbarian pack held Center Bill Oshorne tried a drop. "it was magnificent."

their 18 games won, the All Blacks of captain Graham Mourie will go home to a heroes' welcome. Slowly Europe will try to imitate the New work to raise hack play to the level

reached by their forwards.

Barbarians, scattered for a moment before the post-match banquet fended their way back to McKechnie duly missed. And their hotel through happy masses again two minutes later, in the 39th of autograph bunters on Cardiff's sidewalks. Flat on his back at last, Skrela relived "more attack in one against the odds in a series of afternoon than you're going to see scrums within five meters of its in a whole international season." It line. New Zealand could not cross. was "terribly hard," he said. And

Leads World Cup Standings

Proell Wins 2d Downhill Race

By Samuel Abt

VAL D'ISERE, France, Dec. 17 (IHT) — Annemarie Moser-Proell of Austria easily won the world cup downhill race here today, her second victory in as many downhills this young season, by skiing what sbe described as "a perfect race, no mistakes, no trouble.

Traveling in hright sunshine over soft snow. Proell was timed in 1:20:28. Evi Miltermaier of West Germany also had wbat she described as "a perfect race," but her concept of perfection was 28 hundredths of a second slower than Proell's. Third was Bernadette Zurbriggen, 4 more bundredths behind, with Marie-Theres Nadig fourth and Evelyne Dirren fifth. All three

The U.S. women's team had a unanimous off day, placing no higher than Cindy Nelson's 28th in a field of 72 starters. Christin Coo per finished 44th, Jamie Kurlander 51st, Abbi Fisber 52d, Susie Patterson 53d and Tamara McKinney 57th. For some reason, the Americans seemed unable to bandle the soft snow, much of which fell vesterday afternoon and last night. The course, 2,000 yards long with a drop of 500 yards, was not reported to be difficult and nobody fell.

Least of all was it difficult for Proell, who started eighth, posted the best intermediate time and arrived to a polite round of applause from the otherwise-partisan French lead for the title, pending tomorrow's activity. Proell has 54 points, Nadig 39 and Perrine Pelen of France 31. All three are strong in the giant slalom.

Relaxed and cheerful, Proell said

NBA Standings

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Denver Chicapp Milwauker Seattle Phoenix Los Angeles Portland Golden State 15 14 517 Friday's Results

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the giant slalom.

The Steelers' first touchdown I will ski through next season, came with 38 seconds in the first especially the Olympic Games, and quarter, when Franco Harris bulled then I will retire" Proell said, "It over from the 1-yard line on fourthand-one, capping a 52-yard drive in 10 plays.

Bradshaw, wbo completed 10-of14 passes for 131 yards before
going to the sidelines, hit John
Stallworth with a 25-yard scoring

Veterans at the Top

The first four finishers in the downhill were all veterans, includ-ing Zurbriggen, who is 22 years old but has been competing in the World Cup since 1972. Right behind them, though were a host of fresh faces. In the first 10 were Edith Peter of Austria, 20, and a sopbomore on the circuit, and Car-oline Attia of France, 18 and a sophomore. Peter was sixth and At-

Those finishing 11th through 15th were all below the age of 20: Dianne Lehodey of Canada, Brigitte Glur of Switzerland, Gahy Infanger of Switzerland, Petra Wenzel of Liechlenstein and Marie-

the youngest Infanger, 17 just a

sum up the group spirit when she hugged a trainer and said: "I thought I'd ski a quarter of a sec-ond faster and if I had, I would have finished fifth. I'll do it next

The Patriots dominated the Dolphins in the closing moments of a studying the Oilers.' 33-24 game at New England two Shula also said

down

"This is a long week for us, preparation-wise," he said. "We'll be

— The Indianapolis Racers have folded, leaving the World Hockey Association with only six teams. The Racers had averaged only Gordon Robson, a representative of Nelson Skalbania, the Canadian abont 5,000 fans per home game

against a touring Russian national

Lemar Parrish of the Redskins intercepts a pass intended for

James Scott of Chicago Bears during the Bears' 14-10 victory.

Indianapolis Team Folds

After Five Years in WHA

INDIANAPOLIS, Dec. 17 (UPI) tion game here Saturday night

this season - half of what Skalbania said they needed to break even. Skalbania was not present at the last-ditch negotiations to save the franchise.

Contingency Schedule

In Hartford, Conn., the WHA president, Howard Baldwin, said: "We regret losing Indianapolis as a market." The WHA had made a contingency schedule and Baldwin said that it would be announced

The New England Wbalers pieked up right wing Blaine Stoughton, the Racers top scorer with nine goals, and nine assists, and defenseman Dave Inkpen.

Defenseman John Hughes, who has been sold to Edmonton, called the local fans "great" and said: "I just didn't think they would let it water."

At the same time, bowever, he said that the team would lose \$1 million for the fifth year in a row.

go down, but they did. The people here could have bought the club and just assumed the responsibility for the rest of the year, but they wouldn't do that, Indianapolis is going to hurt downtown by letting this club go."

Skalbania indicated when he bought into the Racers that his goal was to take the team into the National Hockey League — if and when a merger materialized. The NHL has so far shied away from merger or expansion, although numerous interleague meetings have taken place.

"It seems the local fans don't want hockey," he said. "I'm mad because I've lost a fortune in bockey here.

Surgery for Maddox

NEW YORK, Dec. 17 (AP) -Outfielder Elliott Maddox will undergo surgery on Dec. 26 for removal of a spur on his right thumb, the New York Mets announced.

More Sports On Page 9

NHL Standings CAMPBELL CONFERENCE

N.Y. Islanders 2, 91, Louis 3 (He) Buffolo 5, Minnesota 2 Calerado 5, Chicago T treal 5, Los Angeles 2

WHA Standings

W L T Ph. GF GA.
16. 16 2 25 114 96
15. 7 5 35 114 100
15. 7 5 35 114 100
14. 13. 4 22 111 118
14. 12. 0 28 102 95
11. 12. 4 25 114 101
12. 13. 2 25 102 105
15. 18. 2 12 76 132 Friday's Reselts
es 4. Swadish Ali Stora 3
ton 5. Soviet Ali Stora 2
Solveday's Results
show 2. Cincinnati 2 (tie) (at)

Annemarie Moser-Proell Wins Again

Haker of Norway Takes Men's Downhill

SANTA CRISTINA, Italy, Dec. 17 (AP) — Erik Haker of Norway scored his first World Cup down-25th position. scored his first World Cup down-

hill victory here today. He was clocked in 2:06.37 in an event that was restarted in the af-ternoon after a morning round was Makeev of the Soviet Union was canceled following a hreakdown in

the electronic timing.

Haker, who had been the fastest also in the canceled race, finished ahead of Switzerland's Peter Mueller who was 26 hundredths of a sec-

Two Austrians. Peter Wirnsberger and former downhill ace something did not work." Franz Klammer, rounded out the top five. Haker had led the standings at

mid-day, when race officials found a fault in the electronic timer and postponded the race for two hours while they repaired a damaged circuit board. The officials cancelled all early times. Giuliano Giardini of Italy, who

was second to Haker when the cancellation occurred, dropped seven places to ninth. "I was furious after the cancelled the first race," Haker said. "The

fact that I won again means I was the best. I hope my victory gives people in Norway the incentive they need to get involved in alpine skiing. He added: "I have always

dreamed of winning a downhill and this morning I knew I could do it. This has been the greatest event in my career. Read, who won the season's first

: is quite an achievement. 1 we to learn bow to concennyself at the start of a race."

Walcher Wins Saturday

the 3,612-meter track. Mueuer as presuent of fartan raim. Inough he hash t retired as often as placed second in 2:12.16, and Walter Vesti, was third in 2:12.91.

Another Swiss skier, 21-year-old as presuent of fartan raim. Inough he hash t retired as often as placed second in 2:12.16, and Walter Muhammad Ali, John has had some practice at singing Tosti's Goodhye. A few years ago he turned the training chores over to Scotty Schulhofer and stayed away until Dr. Fager's first offspring were old enough to race. the 3,615-meter track. Mueller

Jasef Walcher of Austria won

Klammer finished fifth and hlamed a slow start for his disapsixth, ahead of Herbert Plank of Italy, who won here last year. Read finished nearly two sec-

onds behind the winner and failed to make the top 10. Read said that he bad been ready ond behind and Ken Read of Can-ada, who was third in 2:08.45. for a race on an icy track "like the one we tested in Friday's trials."

1. Josef Walcher, Austria, 2:11.86. 2. Peter Mueller, Switzerland, 2:12.16.

5. Franz Klammer, Austria, 2: 13.18. 6. Vladimir Maksov, Soviet Union, 2: 13.21. 7. Herbert Plank, Italy, 2: 13.37. 8. Michael Veith, West Germany, 2: 13.43. 10. Steve Podborski, Canada. 2:13.73.

1. Erik Haker, Norway, 2:04.37 2. Peter Mueller, Owitz., 2:07.63 3. Ken Read, Canada, 2:08.45 3. Ken Read, Canada, 2:08.48
4. Peter Wirnsberger, Austria, 2:08.48
5. Franz Klammer, Austria, 2:08.94
6. Renata Antonioli, Italy. 2:08.94
7. Ulrich Saless, Austria, 2:09.01
8. David Murray, Canada. 2:09.36
9. Glellano Glardini, Italy. 2:09.40
18.Waller Vesti, Swifz., 2:09.47

World Cup Leaders

1. Peter Luescher, Switzerland, 65 points

2. Peter Mer. Switzerland, 40

2. Ken Rood. Canada, 40

4. Ingernar Stenmerk, Sweden, 25

5:16 Nets Notes 4. Erik Haker, Norway, 25

after she caught ber hreath that ber immediate goal was to do well to- will be time. I am getting old now" morrow in the giant slalom bere —she will be 26 years old in March and thus win the combined and its bonus points. Her long-range goal, competitively when I'm 30." she added frankly, was to win the

overall World Cup championship. which bas harely eluded ber the last two seasons. She was the champion in the five years from 1971 through 1975, retired in 1976, then unretired and finished second in 1977

Victory Ioday moved ber into the

	COM LINGUES
Atlant	IC Division
	W L Pct. GB
Washington	22 9 3710
Philadelphia	16 9 440 3
New Jersey	17 12 586 4
New York	14 16 .467 71/2
Boston	10 20 .333 111/2
	at Olvision
Centre	
	W L Pct. 11B
Attento	15 13 536 -
Houston	14 13 519 Vz
San Aritenia	15 14 517 17
New Orleans	11 20 .355 51/2
Cleveland	10 19 345 512
Delroil	10 20 333 4
WESTERN	CONFERENCE
Midwe	st Division
	W L Pct. GB
Parama City	17 10 420 -

Safurday's Results
Washington 124, Boston 117
San Antonio 104, Golden State 9a
Chicago 108, Cleveland 100
Konsos City 128, New Orleans 100
Phoenix 119, Las Angeles 100

Luce Waldmeier of France. The oldest is Glur, all of 19, and week ago. The outgoing Atua seemed to time.

Women's Downhill
I. Arnemorie Moser-Proell, Austria, 1:20,28
2. Evi Miltermoler. West Germany, 1:20,56
3. Bernadethe Zurbriggen, Switz, 1:20,66
4. Marie-Therese Nadio, Switz, 1:20,66
5. Edith Dirren, Switz, 1:21,64
6. Edith Peter, Aust, 1:21,52
7. Maria Ellmer, Aust, 1:21,72
8. Caroline, Attin, Erropa, 1:73,74 8. Caroline Attia, France, 1:21,74 9. Danielle Debernard, France, 1:21,95 10. Irene Esule, Wesl Germany, 1:21,98

World Cap Leaders

1. Annemarie Moser Proell, Austria, 50 pa 2. Marie Therese Nadig, Switzer 3. Perrine Pelen, France, 31 L Abippii Fisher, U.S.A., 25 4. Hanni Wenzel, Lichtenstein, 25
4. Evelyn Dirren, Switzerland, 22
7. Craudia Glardani, Italy, 21
8. Corls de Agastini, Switzerland, 20
8. Evil Mittermeeter, West Germany, 20
8. Irene Epple, West Germany, 20
11. Bernadette Zurbringen, Switzerland, 20
11. Tamara MacKinney, U.S.A., 15

To Play a Game for Pride MIAMI, Dec. 17 (AP) - Emo- kles to score the winning touchtion in tomorrow night's game be-tween the New England Patriots and Miami Dolphins will be more a

The Broncos, with reserve quarterback Norris Weese at the helm, went 80 yards for their first touch—

said that the team would lose \$1 million for the fifth year in a row.

The Racers had a 5-18-2 season

down with 9:15 left in the third quarter. Weese engineered five first were scheduled to play an exhibi-

point of-pride than a reflection of the game's importance.

Patriots and Dolphins

New England clinched the American Football Conference Eastern Division title last week while the Dolphins clinched a wild card. So what ooce figured to be a classic showdown now is a tuneup for more important games. However, the teams have a

strong rivalry. This is my first year here, but I know it's been an intense rivalry, running back Delvin Williams said. Both teams have a lot of pride, and I think it will be a hard-fought

months ago, with running back play any injured players only spar-Horace Ivory hreaking several tac-ingly against the Patriots.

Deadwood, places like that.

millionaire and majority owner,

made the announcement Friday

night following a second meeting

within three bours with team mem-

Robson said that the situation

became "bopeless" late Friday

afternoon, when negotiations with local investors failed to make

Friday was pay day and Skal-hania wanted to make certain that additional backing was available from local sources before he met

The Racers never gained a finan-

cial foothold during their five years

in the WHA, but Skalbania, who bailed them out more than a year ago, bad vowed last month that he

would keep the team going through the season "come hell or high

enough headway.

his \$80,000 payroll

The young Dolphin defense, surging in the last two weeks against Washington and Oakland, could add another hrick to its selfconfidence.

"The game would be a good confidence-builder," said offensive guard Bob Kuechenberg.

However, the Dolphins coach, Don Shula, said that while he would like the added momentum of a victory over New England, his first priority is the Houston game. He said that he and his coaches have divided preparations between the Patriots and the Dec. 24 game against the Oilers.

Shula also said that he would

Nerud Calls it Quits...Again...After Three Decades on the Turf By Red Smith Nobody who was aware of Nerud's emotional involvement with Dr. Fager

NEW YORK, Dec. 17 (NYT) — Dr. Fager was an extraordinary ra-cehorse who, at the age of four, brought off an unprecedented sweep. He was the first in American racing to win four national championships in a single year - Horse of the Year, Handicap Champion, Sprint Champion, Grass Champion.

"You may hring your trainer," read the invitation to the awards dinner that the Thoroughbred Racing Association sent to William McKnight, Dr. Fager's owner. To McKnight and John Nerud, the trainer, it read like,

"Not me," Nerud said. "I'm not going oo those terms."

"Me either," McKnight said.

Head of the Minnesota Mining and Manufacturing Company, zillionaire owner of Tartan Farm in Ocala, Fla., McKnight was accustomed to baving his own way. Nerud, a feisty little maverick out of the cattle and Indian country of western Nehraska on his way to racing's Hall of Fame. World Cup downhill race in had no special gift for tugging the forelock or bending the servile knee. In Schladming, Austria, said: "To be spite of blandishments and supplications, they stuck to their position.

amo, the first three with this kind

Absent Recipients

The dinner was held and the trophies displayed with nobody to give them to — no owner, no trainer, no borse. That was 1968 and ever since then, trainers have received personal invitations.

Now called the Eclipse Awards Dinner, this winter's affair will be held in San Francisco on Feh. 9 and Nerud will be there. He is trainer of Dr. yesterday's downhill race, finishing ahead of two Swiss competitors.

Walcher, the reigning world champion downhill skier, was timed in 2:11.86 for his run down timed timed

as president of Tartan Farm. Though he hasn't retired as often as He told the trainer who told Bill Sboemaker, the rider. "Whatever you

was surprised to find him hack in the barn that winter.
"Was there ever a horse as good as Dr. Fager?" John was asked.

"I don't think the horse ever lived that was as fast at a mile." he said. He did not need to add that for more than 10 years Dr. Fager has held the world's record of 1:32 and one fifth for a mile, set at Chicago's Arlington Park under a load of 134 pounds. The colt won 18 of 22 starts and only once, when he was a rank two year old, did any horse beat him unaided.

Knowing that Dr. Fager wouldn't tolerate another horse in front of him, Frank Whitely sometimes sent a two horse entry against him and twice a rabhit named Hedevar peeved the Doctor into squandering his speed so Damascus could come on late and win. The only time Dr. Fager was unplaced, he actually won the race with

his ears pricked. This was in the Jersey Derby May 30, 1967, a date that lives in infamy as the time Nerud came closest to committing murder. With the impetuous Manuel Ycaza at the reins, Dr. Fager crowded rivals on the first turn, possibly intimidating them, then went off alone to win hy six and a-half lengths. Many suspected that if his jockey had been anyone but Ycaza, his number would not have come down but be was disqualified and placed fourth.

"I was hot." John said. "because I thought it was unjust and because I had warned Y caza not 10 do what he did. Even Mr. Mori Ithe late Gene Mori Sr., builder and operator of Garden State] warned him. 'We've got the biggest crowd in the history of New Jersey racing,' he told him. 'Please let's not have any incidents today."

At least once before that, Nerud contemplated murder. This was at the Kentucky Derby of 1957, where John had a generous little colt named Gallant Man. One night Ralph Lowe, the owner, dreamt that Gallant Man was winning the derby until his jockey pulled him before the finish.

do." John said, "ride him out past the wire."

Shoe thought he did but, mistaking other construction for the finish posts, he eased his mount too soon and lost to Iron Liege. Nerud's "mur-

derous impulse" faded when the rider refused to make excuses. Shoe was hack in the saddle when Gallant Man won the Belmont Stakes. Nerud grew up on a ranch near Bayard, Neb. Each boy in the family

received a horse as a birthday gift at five. From that age on, horses were John's life. At 18 he became trainer for Sid Williams, who had been sheriff of Sioux County in the northwest corner of Nebraska bounded by Wyoming on the west and the Black Hills of South Dakota on the north.

"They called him Bring Em Back Alive Sid," John said. "He was one of the last bold lawmen, wore two pearl-handled revolvers and could use 'em and would use 'em. He was 68 and had a young wife and little kids. His horses? They were lousy but we raced in lousy places — Rapid City,

"After that I left Nebraska on my own with a horse and little money and when the sharpies got through with me I had neither. Couldn't go hack home empty, so I took johs as groom and jockey's agent."

After his discharge from the Navy after World War II he got his first hreak as trainer of the Woolford Farm of Herbert Woolf, the Kansas City tycoon who had won the Kentucky Derby with Lawrin in 1938. Among the best be saddled for Woolf was Delegate, a champion sprinter. Then in 1957 he went to work for McKnight, whose executive colleagues at 3M had given him a mare named Aspidistra for a birthday gift.

She wasn't much on the racetrack but on Tartan Farm, the great breeding establishment that Nerud built for McKnight, she produced nine winners including Dr. Fager and the champion filly, TaWee. Since

winners including Dr. Fager and the champton may, Tawee. Since McKnight's death, his thoroughbred interests have been carried on by his daughter and ber busband, June and James Binger.

They've got two farms now," Nerud said, "in Kentucky and Florida, and I picked every stud and every mare, beet every horse we've got. We have 90 training at Ocala this winter. I've got to sift them out and decide which ones to send to lan any son who'll train the New York string and which ones to send to Jan, my son, who'll train the New York string, and which to California, Jersey, Chicago, Florida. First, though, Charlotte and I are going to Eleuthera to shut off the phone for a week."

Observer

Gift Suggestions

By Russell Baker

the economy of utter inflation:

nn keeping her copy of The Yellow Pages conspicuously bulging on the coffee table, Carlo of Firenze's Fifth Avenue bounque offers a stunning Yellow Pages dust jacket. Wrought of the

linest ivory with delicate topaz and sapphire inlays, and superbly hinged on hand-worked sil-ver, Carlo's Yellow Pages Dust Jacket turns the shah hiest directo-

ry into a conver-Baker sation piece that will keep guests in deep discussion long after conversation about Middle East peace treaties has begun to flag, Expensive? Of course, but it's only money and we all know what

· Need the perfect fun gift for that fun friend who is never having so much fun as when he is showing nff the latest fun thing? Drop in at The Pits on East 61st Street and get him a "wienie rack" by Chumhles of Piccadilly. The idea derives from the game of pool. You simply rack frankfurters in a cluster on any flat surface where people would have fun seeing a lot of hot does racked and ready for the break. Firsty-five dollars, not including hnt dogs or mustard.

that's worth these days, and what's

worse, what it will be worth tomor-

 Bachelor or haehelorette, he or she will he delighted to find Marlon Brando under the tree. Made of high quality sponge ruhber and formica and activated by solid-state circuitry. Marlon Brando is not only life-sized, hut also programmed to walk, sit, talk, sing and eat. For \$250 extra, you can have your Marlon Brando programmed to talk while eating an apple. Even without such "extras," however, he makes the ideal gift for the person who wants companionship while watching television. Available at all major electronic-robot unvelty

shops. • Into cheese? Who isn't these days? You can either put your mnoey into real estate or cheese, and for that friend who has taken the cheese route Fontina Motors has the solution to your gift prob-

ANNOUNCEMENTS

NEW YORK — A random list lem. It offers a complete line of of seasonal gift suggestions in cars — limonsines, sedans, station wagons, sports cars -- made com-• For that someone who insists pletely of cheese. This eliminates today's expensive repair hills. When your lucky friend's cheese car breaks down, he needn't take it into the shop and listen to some smirking mechanic tell him about the skyrocketing price of gorgonzola. He can simply eat it.

 So you think that glittering couple has everything? Think again. Chances are that no matter how swank that Manhattan apartment of theirs may be, it is still equipped with run-of-the-stove landlord's cockroaches no better than the cockroaches he supplies to his shabbiest Bowery tenements. Timser's of SoHo has the ideal for your upwardly mobile couple and sells them at \$110 per thousand under the hrand name of "College Cockroaches." These are cockroaches who have been at the finest universities in the East.

· There is always that difficult party, usually a wife, who wants a surprise. So this year, surprise her. Give her an airplane propeller from Butch's Surplus of Eleventh Ave-nue. These beautifully crafted airfoils from 1930s Army Air Corps training planes have a thousand uses. They can be mounted in the bedroom, hurled out the window at dog walkers who do not clean up after their pooches nr used to stir the soup when cooking fir very large parties. Butch's will also provide head mountings so that the propeller can be worn in the horizontal plane atop the skull to create interesting entrances at chie par-

 What would the holidays be without gifts like the Wooj for that person whn wants the flattery implicit in receiving something com-pletely different? Ceramic but edihie, the Wooj can be hung on the wall, placed nn the floor, used for picnics, or wielded effectively for self-defense on the streets. When set out with the garbage it masquerades so effectively as trash that the sanitation man will cart it away with the property of the sanitation man will cart it away with the sanitation man will cart it away without complaint, which is why seasoned gift recipients have ac-elaimed it as the perfect gift. Avail-able at Manny's Uptown while they last. Price: \$59.99, but purchasers must show 20 labels from Perrier bottles to prove their character is the sort that deserves to by a Wooj.

Childish Habits

How Delia Ephron Bit Into A Pudding and Pulled Out a Book

By Judy Klemesrud

NEW YORK (NYT) — No. Delia Ephron was not the higgest brat in the world. Her new book, "How to Eat Like a Child. And Other Lessons in Nnt Being a Grown-up," just makes it sound that way. She was, she insists, "the kid in school who was a goody-goody; you know — the teach-

And even though one of her book's funni-est chapters is called "How to Torture Your Sister" (save your jelly doughnut from hunch and eat it in front of her two hours later, tell her an invisible man lives under her bed, pretend to eat shaving cream), Miss Ephron says the "worst" thing she can ever remem-ber doing to nne of her own three sisters was telling her that her name was not really Amy, but Amelia. Which was, of course, a big fat fih.

"I told her that was the way she would be listed in the telephone book," she says with a smile. "She got very upset. I think she might have even cried."

Miss Ephron, now a 34-year-old grown up, was sitting in a brown wicker rocking chair in her Manhattan brownstone apartment above a Beefburger restaurant. She is the second daughter of Henry and the late Phoebe Ephron, the play-and-screenwriting team ("Take Her, She's Mine," "Carousel," "Desk Set"), and their second daughter to become a writer.

Her 37-year-old sister, Nora Ephron, has published three books and is a contributing

editor to Esquire magazine. Her other sisters are Hallie Touger, 30, who teaches educa-tion at Curry College in Milton, Mass., and Amy Ephron, 26, a film producer in Los Angeles.

Pudding

Miss Ephron, who has short, curly, dark hair, dark eyes, and is thinner than most fashion models, said she got the idea for her book one night while eating a dish of choco-

late pudding.

"I was sitting here, eating it my way," she says, "which means that I make a little hole in the pudding and scoop out all the best parts and save the skin until last. I thought, Gee, I want to write a piece about it."

The piece, called "How to Ear Like a Child," appeared in The New York Times Magazine and resulted in a flood of letters from people wanting to share their childish

eating habits.
"One woman sent me six pages on a
Malomar," she said. "She had a whole system of dipping it in milk."
While researching her book for Viking
(Edward Koren did the drawings), Miss

Ephron says, she interviewed friends, and friends of friends, and children of friends. Her best sources, she said, were people with a lot of siblings, because they tended to have the richest memories of childhood.

"What amazed me was how universal it was, and how awful the sibling torture was," she says. "One man said he locked his sister in the basement, and another said he pushed his sister down the stairs in her baby carriage. My own sister, Hallie, deliberately dropped my bahy sister, Amy, one day after my mather walked out of the room. So what I wrote in the book was mild compared to what really goes on."

Privileged

Miss Ephron's childhood was a rather privileged one. She grew up in Beverly Hills, attended the posh Beverly Hills High School, and had a "pretty rich childhood." She adds. "The only difference was that we thought the Academy Awards were as important as election night." Since both her parents were witty and val-

ued wit in others, Miss Ephron says, she felt pressure at an early age to be witty and elev-There was a constant scurry for attennion at the dinner table," she recalls, in a hittersweet tone. "If you said something funny, Father might write it down. It was

happy - and grotesque."
Miss Ephron, who graduated from Bar-

Sibling rival Delia Ephron: "What amazed me was how universal it was, and how awful the sibling torture was."

nard College, wrote her first books at the age of 27—two craft books for Simon and Schuster ealled "The Adventurous Crocheter" and "Glad Rags," both with Lorraine Bodger. She was Delia Brock at the time having married Dan Brock, whom she time, having married Dan Brock, whom she met at a Martin Luther King rally in Central Park in 1969. They moved to Providence, R.L. where he was, and still is, a professor of philosophy at Brown University.

They split up in 1975, and Miss Ephron moved back here to try to be a writer. She resumed using her maiden name, "because that's really my name, and that's who I am." she says. "And suddenly having distance on the marriage, I didn't feel that close to the name Brock anymore."

Superstar Sister

Miss Ephron had to face the fact that her older sister. Nora, was a writing superstar - a situation that could easily have caused ill feelings nn both sides if Nora had felt Delia was trying to cash in on her fame — and if Delia had felt that Nora was not doing enough to help her.

"Nora is practically my best friend!" Miss Ephron says emphatically. "We're very close, and she's always been there for me There are times when you think, If one more person comes up and says, 'Are you Nora's

"Befure I started writing, I was scared to try, because of Nora and my parents. But Nora encouraged me. She has looked at my work, and I've looked at hers, too. She's one nf the best editors in New York. She'll look at a piece and say just one thing, and the whole piece is better."

Did Nora provide any of the inspiration for the childish pranks in "How to Eat Like a Child?" Delia smiles: "She terrified me with a lobster at the dinner table, telling me it was alive." Pause. "And she fed me shaving cream and told me it was ice cream."

Miss Ephron said that she and her three sisters try in get together every Thanksgiving at their father's apartment here. "It's our one family ritual," she says. "It was my Mother's favorite holiday." (Miss Ephron's father is now married to June Levant, Oscar Levant's widnw.)

When the family gathers, one or another of them usually hrings up the legend of the missing jelly doughnut. Some years ago, when they were children, someone bought five jelly doughnuts, and each of the four sisters are one. The next morning, the fifth doughnut was missing.

"We argued for years over who got up in the middle of the night and ate the last doughnut," Miss Ephron says, grinning. "Finally, a few years ago, Amy admitted that she did it."

Sheikh's Dogs PEOPLE: Sheikh & Dogs Go to the People

In a hectic five-hour givesway in Los Angeles, all of the more than two dozen dogs left behind in California when Sheikh Mohammed S.A. al-Fassi of Saudi Arabia gave up residence in Beverly Hills found new homes Saturday. Fassi, who had been paying \$10,000 a month that been paying \$10,000 a month that the sale and ordered the bank as trustee the bank as trustee and ordered the bank as trustee the bank as new homes Saturday. Fassi, who had been paying \$10,000 a month for care of the dogs at kennels in Century City, had ordered them destroyed unless homes could be found for them. But then Pet Orphans, a volunteer home-finding service for animals, entered the picservice for animals, entered the pic-ture and made a public appeal for adoptive dog lovers. All of the young sheikh's dogs were purebreds, a spokesman for the group said, and some were very rare and worth thousands of dollars. Fassi first gained wide publicity when he put painted nude statues in front of is \$2.4-million mansion on Sunset Boulevard.

Several hours after federal agents

conducted a drug-and-tax raid at New York's Studio 54 late last week, nearly 1,500 people were dancing and drinking at the discotheque. The raid seemed to have given the nightcluh a new mystique — one of roguishness — and it drew its biggest weekday crowd. But not all the habitues came merely to be seen or to gawk. Some, like Halston, the fashinn designer, came in a show of sentiment for the owners. At one point, in an unusual speech to the crowd.
one of Studio 54's owners, Stephen
Rubell, said, to applause: "We will
survive, despite it all." His lawyer. Roy Colm, vigorously charged that the federal raid "was definitely a semp." The IRS carted away boxes filled with documents, and the Drug Enforcement Administration charged Ian Schrager, another owner, with possessing cocaine with intent to distribute. Occasionally, someone - usually a celebrity such as Andy Warhol or Bill Blass, the designer - would stop by for a hrief chat with him. Some distance away. Rubell was hailed by Bianca Jagger, who had flown in from London especially, she said, "to show my support for Steve." Actress Lorna Luft said that she had called up her friends and asked that they come to Studio 54 Thursday night to demonstrate support for Rubell and associates.

Blackie, Britain's richest cat, died in Sheffield, England, and the residue of his £35,000 (\$70,000) estate goes to the Royal Society for Prevention of Cruelty to Animals.

the bank as trustee and ordered that Blackie should remain in the house as long as possible after her death. But inflation forced the bank to sell the home last August and move Blackie to boarding ken-nels, where it paid his rent and upkeep from the proceeds of the sale.

Salvador Dali said in Paris that he was much too intelligent to be a good painter and that he no longer wanted to be Napoleon. Resplen-dent in black ermine cloak and waxed moustache, the Spanish painter strode into an ornate Parisian hotel room to pronounce his views on politics, philosophy and art at a rare press conference. "A disaster," was his reply when asked for his views on the development of pointing in the last 20 years. He swept aside any suggestion that his flamboyant public life was part of his work, saying: "I am eccentric and concentric." He declared his political beliefs to he a mixture of anarchy and monarchy. Deli, 74, pounded the floor with his short, silver-handled cane and attacked critics of his works, which he said. they had succeeded in making obscure. * * *

In the dismay of feminists at Brown University in Providence, R.I., Playboy staff photographer David Chan spent this week eyeing the school's female students for a the school's temale students for a future picture layout on Ivy League women. "I love photographing women because they are the most beautiful things on earth. At this age a woman is like a rose in full hloom," says Chan, 41, who has been with Playboy 14 years. Police Chief Angelo Ricci said he would consider auresting any Playboy. consider arresting any Playboy photographer who shoots picture of young women for the magazine in Providence. "If I think it is morally wrong and I can get thelaw to back me up. I'll go after him." Ricci said. "I don't care how many people read [Playboy] or how much [the magazine owners] have." He said taking such pictures migh violate the state's new anti-pornor raphy law now being challenged it. . . the State Supreme Court.

-SAMUEL JUSTICE

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